Part II. Performance Section

Purpose of This Report

The Department of Veterans Affairs (VA) 2014 Performance and Accountability Report (PAR) describes VA's accomplishments and progress during 2014 toward fulfilling its mission and core strategic objectives. The report is designed to enable Veterans, Departmental management, stakeholders, and employees to assess VA's program and financial performance, and to use this information to make necessary assessments and improvements.

Medical Services: *Delivering High-Quality Health Care*

In 2014, VA maintained the largest integrated health care system in America. Throughout the year, VA continued to implement new, innovative practices to improve Veterans' access to health care, such as telemedicine and mobile clinics, to provide care to more than 6.4 million unique patients. Our commitment to delivering timely, high-quality health care to America's Veterans while controlling costs, remains a top priority.

Key performance results for 2014 include: (Details included on pages 8-58)

Veterans' Access to Care: During the course of FY 2014, VA senior leadership learned that within some of our Veterans Health Administration facilities, VA had a systemic, totally unacceptable lack of integrity. That breach of trust—which involved the tracking of patient wait times for appointments—was irresponsible, indefensible, and unacceptable to the Department. Upon learning of the allegations of waiting time manipulation at three VA facilities, VA senior leadership initiated a nationwide audit of scheduling practices which, among other factors, identified several key findings: 1) significant lack of clarity regarding scheduling policies and practices across our system; 2) an inflexible and unrealistic 14-day standard for appointment times; 3) inadequate staffing of providers and clerical support at many of the sites that were experiencing the greatest surge in patient demand; and 4) rigid and obsolete scheduling software.

In response to the findings of the national audit, VA took several actions. First, it immediately suspended the use of the 14-day waiting time standard in executive and manager performance plans, while simultaneously expanding our ongoing efforts in order to understand more comprehensively how Veterans perceive their access to care. Additionally, VA launched a comprehensive initiative to accelerate care by deploying internal resources to address long waiting times, thereby significantly expanding purchased care in those markets where internal provider capacity could not meet the needs of Veterans. This initiative identified significant areas of misalignment between Veterans' demands for specific types of medical care, and available technology,

infrastructure, and care providers. Matching the supply of available providers to the demand for health care is a challenge for any health care system, and is made more difficult by the absence of national staffing standards for most specialties, as well as limitations in data systems that are used to manage appointment and specialty consult scheduling. These issues are being addressed on a system-wide basis, including updating VA scheduling software and expanding virtual health care services. Lastly, existing authorities to obtain services from non-VA providers were significantly enhanced by the Veterans Access, Choice, and Accountability Act of 2014 (VACAA), which VA is now implementing. Under VACAA, if a Veteran's distance from a VA facility exceeds 40 miles, or their appointment is delayed beyond 30 days, from either the date that an appointment is deemed clinically appropriate by a VA health care provider, or if no such clinical determination has been made, the date the Veteran prefers to be seen, VA has both the authority and resources to seek care from community-based, non-VA providers.

Performance Management: VA sought external expertise and chartered internal process to reinvigorate VHA's Performance Management Program (PMP), starting with the system-level measures used for the Agency's performance plan. VA is resolutely committed to restructure its process of measure governance, with particular attention to how high-level priorities are translated into strategic, tactical, and transactional measures that are realistic, achievable, and have the full buy-in of managers and staff. VA's intent is to create an environment in which all VA employees feel engaged with the measures that are used to monitor and improve performance, understand the importance of Veteran-centered care over "meeting the target," and feel comfortable in raising concerns, regardless of their position in the organization. As this is a large-scale overhaul of VA's entire program planning, budgeting, performance measurement, and evaluation cycle, VHA anticipates the new system to be fully implemented in fiscal year (FY) 2016.

Veterans Homelessness: Throughout FY 2014, VA continued to collaborate with the Department of Housing and Urban Development (HUD) and the United States Interagency Council on Homelessness (USICH) to build partnerships that aim to strengthen the data systems in the communities with the highest numbers of homeless Veterans to better assist them with coordinating their efforts with VA and non-VA providers to end Veteran homelessness. The VHA Homeless Program Office, in collaboration with the VA-Center for Applied Systems Engineering, conducted quarterly updates in Q4/2014 of the Homeless Gap Analysis. These updates will incorporate quarterly actual data along with additional operational strategies submitted by VA Medical Centers in collaboration with community partners. The 25 Cities Leadership Launch was held in March 2014 in Washington, DC, which was attended by VA senior leadership, including system leaders from 25 cities, local VA Medical Centers, key homelessness staff, as well as, other key community stakeholders invested in ending homelessness among Veterans. The 25 Cities Effort is a VA-led collaboration in conjunction with HUD and USICH to promote coordinated, community-based systems for preventing homelessness among Veterans, as well as to assist Veterans

experiencing homelessness in accessing appropriate housing and service options within their communities.

Transforming Veterans' Access to Care and Benefits: VA is currently undergoing the largest transformation in its history to fundamentally change the way Veterans, their families, and survivors access VA benefits and services. VHA is working to ensure that patients receive effective care in the right place at the right time whenever possible and appropriate. Expansion of virtual health care services will greatly improve access for Veterans located in rural and remote areas. Virtual care options will also provide access to those with limited ability to travel to a VA medical facility.

Benefits: *Ensuring a High Quality of Life After Military Service*

VA completed over 1.3 million disability claims in FY 2014. Approximately 150,000 more Veterans received decisions on their disability claims than in 2013. Since 2011, VA has implemented the largest transformation in its history, streamlining the way it provides benefits and services to Veterans, their families, and survivors.   Throughout 2014, VA achieved a number of significant, positive performance results in the benefits delivery area:

Reducing the Claims Backlog: The Veterans Benefits Administration (VBA) has cut its backlog of pending disability benefit claims by 60 percent since March 2013. The number of claims more than 125 days old dropped to 241,991, compared with a high of 611,073 in March 2013. As a result, Veterans who received a decision on their claim in FY 2014 waited an average of 132 fewer days than in FY 2013. While significant progress has been made in claims backlog reduction, VA continues to be challenged by the overall volume of work. VA's rating receipts have increased nearly 7 percent, over the same time last year, and the complexity of these claims has increased as well. For example, 34 percent of all claims and 49 percent of all original rating claims have five or more issues. In addition to processing its rating workload, VA must also focus on the workload beyond rating-related claims – such as claims for additional monetary benefits for dependents, claims for ancillary benefits, and appeals – which has grown by 17 percent since last August.

Joint VA/Department of Defense (DoD) Integrated Disability Evaluation System (IDES) Program: In coordination with DoD, VA has developed and implemented an IDES to provide wounded, ill, or injured Servicemembers fitness-for-duty determinations for continued military service and, if separated, expeditious payment of VA disability benefits. IDES now operates at 139 Military Treatment Facilities worldwide and covers 100 percent of Servicemembers who are referred to Medical Evaluation Boards for fitness determinations. IDES simplifies the process for disabled Servicemembers transitioning to Veteran status, improves the consistency of disability ratings and improves customer satisfaction. The average days to complete IDES claims following the participant's separation from service in 2013 was 78.4 days, with an average of 53.2

days in 2014. Since the inception of the IDES pilot in 2007, more than 125,517 Servicemembers have been referred into the program, and more than 28,585 Servicemembers are currently enrolled. VA and DoD continue to work together to improve IDES processing and timeliness. While the IDES has achieved significant progress towards eliminating the benefits gap between receipt of military pay and VA benefits, VA and DoD continue to improve the process and have reallocated resources to address ongoing challenges in coordinating VA and DoD's respective responsibilities in the process.

Seamless Transition: VA and DoD have jointly developed and implemented the Benefits Delivery at Discharge and the Quick Start programs to allow Servicemembers to submit claims while on active duty. VA completed 48,660 pre-discharge claims in 2013 and completed 52,796 pre-discharge claims in 2014. VA and DoD are reviewing current processes to improve the efficiency and timeliness of the pre-discharge programs.

Quality: VA improved national compensation benefits entitlement (rating) accuracy from 83 percent in June 2011 to 90 percent in 2014. This measure tracks accuracy per claim, regardless of the number of issues decided.

Non-Rating Workload: A dedicated non-rating workforce completed 2.5 million non-rating end products last year and completed 44 percent more non-rating claims than four years ago.

Rules-Based Processing System (RBPS): RBPS allows for automated rules-based adjustments of compensation awards based on dependency changes. RBPS automatically processes 53 percent of dependency claims submitted by Veterans using eBenefits, up from 35 percent in FY 2013, with more than half of the claimants receiving benefits within two days.

Dependency and Indemnity Compensation (DIC): As a result of VBA's prioritization of rating claims, and issuance of simplified procedures for processing DIC claims, VA reduced the backlog of DIC claims by 63 percent--from 2,954 at the end of 2013, to 1,082 at the end of FY 2014. In addition to reducing the backlog, VA reduced the average days to complete DIC claims by nearly 40 percent, from 145 days at the end of 2013 to 86 days in FY 2014. VBA reduced the average days pending for DIC claims by 20 percent, from 93 days at the end of FY 2013 to 75 days at the end of FY 2014. Accuracy remains at 99 percent.

Insurance: VA issued life insurance policies to approximately 36,000 Veterans and separating Servicemembers, many of whom are disabled and would not have been able to purchase life insurance in the commercial industry due to their impaired insurability resulting from military service.

Education: VA provided education benefits to approximately 1,088,000 students in FY 2014. The number of Post-9/11 GI Bill students increased 5 percent since FY 2013 to approximately 790,400 in FY 2014.

Vocational Rehabilitation and Employment: VA rehabilitated over 10,676 Veterans in FY 2014, providing more than 9,132 Veterans with the required training, resources and skills needed to obtain and maintain suitable employment. More than 1,544 Veterans received assistance with gaining independence in daily living.

Housing: In 2014, VA guaranteed 438,398 loans to Veterans and Servicemembers. Of these, 271,701 were for the purchase of a home, and 166,697 were for the refinance of a home loan. In 2014, VA also provided 1,253 Specially Adapted Housing grants to severely-disabled Veterans for the purchase of, construction of an adapted dwelling, or modification of an existing dwelling to meet their needs.

Burials and Memorials: *Honoring Veterans for Sacrifices on Behalf of the Nation*

VA honors the service and sacrifices of America's Veterans through the construction and maintenance of national, state, and tribal cemeteries as national shrines, by furnishing headstones, markers, and medallions for the graves of Veterans buried in private cemeteries, and by providing Presidential Memorial Certificates (PMC) to honor the service of deceased American Veterans.

Key performance results for 2014 are as follows:

More Veterans Served by Burial Option: A new VA-funded State Veterans cemetery opened to serve Veterans in eastern Louisiana and a new VA-funded tribal Veterans cemetery opened to serve Veterans of the Oglala Sioux Tribe in Kyle, South Dakota. VA also accepted the transfer of Yellowstone County Veterans Cemetery, the first of eight National Veterans Burial Grounds (NVBG), which will serve Veterans in rural areas as part of the National Cemetery Administration's Rural Veterans Initiative. The newly renamed Yellowstone County National Cemetery will serve Veterans in southern Montana who were previously unserved by a national or state Veterans cemetery. VA acquired land to establish five new national cemeteries in the areas of Cocoa Beach and Tallahassee, Florida; Colorado Springs, Colorado; Omaha, Nebraska; and Western New York. In addition to these, NCA continues work to establish seven more NVBGs to serve rural Veterans and five columbarium-only facilities to enhance service to Veterans in heavily populated urban areas. Once completed, these facilities will provide a burial option to over 700,000 previously unserved Veterans and enhance services to Veterans in urban areas where distance to an existing national cemetery has been shown to be a barrier to access.

Ending Veteran Homelessness: In 2014, NCA continued its Homeless Veteran Apprenticeship Program in support of VA's goal to eliminate Veteran homelessness. The program combines a year of caretaker skills training with mentoring and professional development. Participants, identified in partnership with VHA's Homeless Veteran Supported Employment Program, are hired into permanent positions through the use of various Veteran hiring authorities. The program is accredited by VBA as approved on-the-job training for eligible Veterans, which means those who apply may receive monthly training benefits in addition to their government salary based on the completion of required hours of training. NCA graduated 13 members in its first class in 2013. NCA expects to graduate 21 members of the second class of this program in December 2014 and six apprentices have already received promotions above their entry level grade of WG-04.

Excellent Customer Service: NCA received a score of 96 on the American Customer Satisfaction Index (ACSI). The ACSI is an independent survey, administered by CFI Group, which measures customer satisfaction for both private and public sector entities. NCA's score is the highest ever received by any organization on the ACSI. This result is closely aligned with respondents to NCA's 2013 Survey of Satisfaction with National Cemeteries. Ninety six percent of respondents to this survey rated the quality of service provided by VA national cemeteries as excellent and 99 percent rated national cemetery appearance as excellent. Survey results for 2014 will be reported at a later date when available; however, NCA does not expect a significant change, if any, from past surveys.

Emerging Burial Practices Study: NCA completed a unique study of Veteran preferences for new and emerging burial and memorial practices to assess the extent to which VA is meeting the burial needs of Veterans and their families. The study, conducted in partnership with Booz Allen Hamilton, included a worldwide review of burial and memorial practices. Practices that were considered to be dignified and respectful were included in a nationwide survey of Veterans to assess their interest as potential future VA burial benefit options. The survey also assessed Veteran satisfaction with current VA burial and memorial benefit options. Follow-up focus groups and interviews were also conducted with Veterans and their family members. The results of this study, which was completed and released internally, will be used to develop new policies designed to improve VA's ability to meet the burial needs of Veterans and their families in the future.

Audits of Rural Veterans Initiative: NCA's Rural Veterans Initiative was audited by VA's Office of Inspector General (OIG) in 2014. The Rural Veterans Initiative is designed to increase access to a burial option by establishing NVBGs in eight states determined by NCA to have rural areas (less than 25,000 Veterans living within a 75 mile service area) that are considered not to have reasonable access to a burial option by either an in-state VA national cemetery, a VA national cemetery in an adjacent state, or a VA funded state Veterans cemetery. The OIG found that NCA's Rural Initiative does not adequately identify the number and percentage of Veterans residing in rural areas that
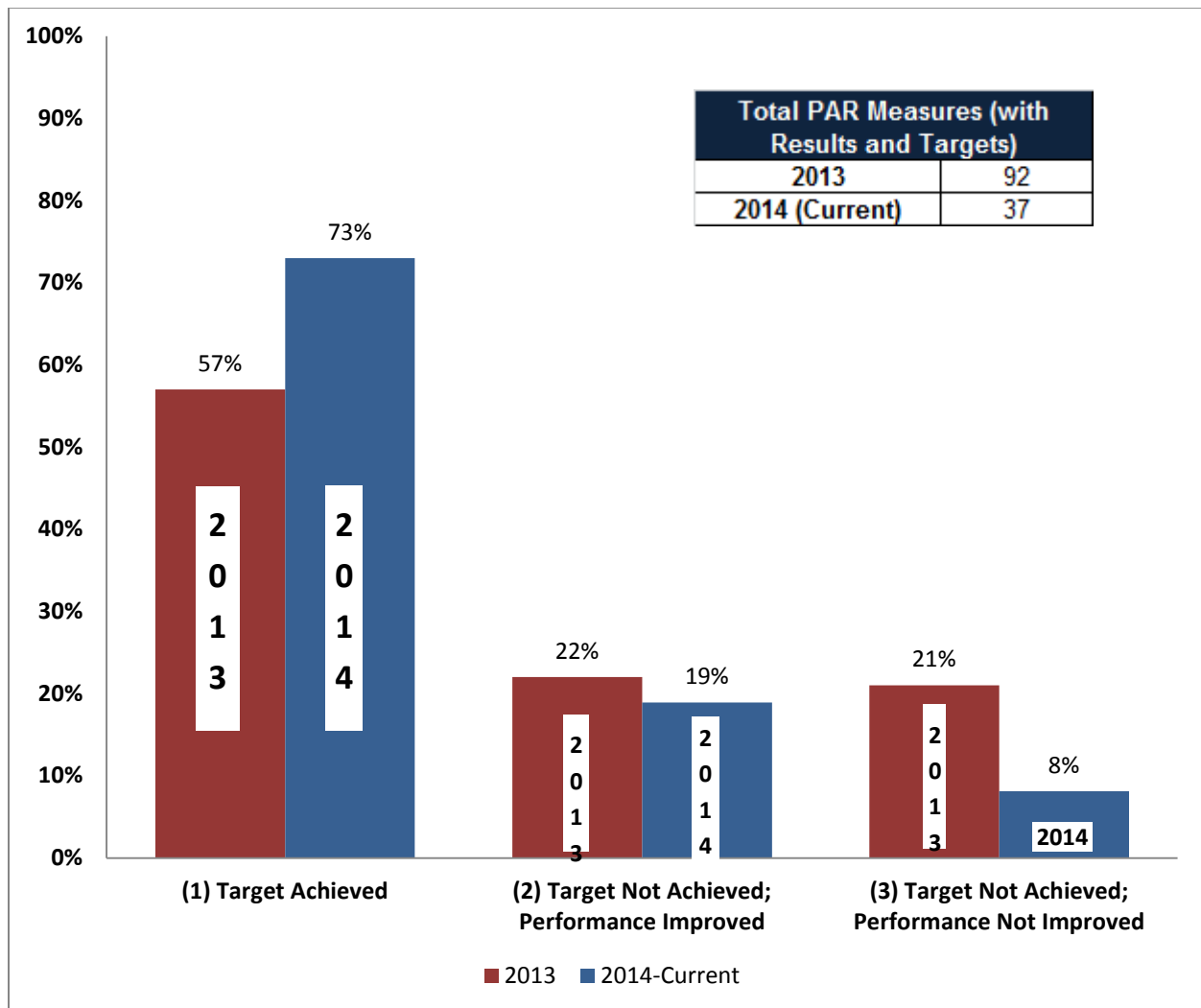
do not have reasonable access to a burial option. NCA has concurred with OIG's recommendations to establish a methodology to identify the number and percentage of rural Veterans served and unserved throughout the country, to establish performance goals for the percentage of rural and urban Veterans served, and to publish a national map showing the areas and number of served and unserved rural veterans. NCA began work to meet the OIG's recommendations in 2014 and expects to fully implement these recommendations in 2015.

2014 Performance — *A Department-Level Summary*

Performance Results: The chart below shows how well VA performed in meeting its performance targets. As shown, VA achieved the target for 73 percent of its reported measures. Note that VA's overall number of metrics decreased to better emphasize measures related to Veteran outcomes and satisfaction.

Total PAR Measures (with Results and Targets)	
2013	92
2014 (Current)	37

Chart legend: ■ 2013 ■ 2014-Current

Categories:
- (1) Target Achieved — 2013: 57%, 2014: 73%
- (2) Target Not Achieved; Performance Improved — 2013: 22%, 2014: 19%
- (3) Target Not Achieved; Performance Not Improved — 2013: 21%, 2014: 8%

Note: The chart above depicts those measures for which both actual data and targets were available at the time of this document's publication.   Measures not included in the chart are still tracked within VA's portfolio of measures; data for these measures will be published at a later date to be determined.

Performance Summaries by Program

VA's Strategic Plan identifies the Department's goals, objectives, and performance measures for a five-year period. Specific performance targets that will be used to monitor, assess, and report on progress toward the strategic goals are shown in the Performance Trends as "Strategic Targets (ST)."

During the course of FY 2014, VA senior leadership learned that within some of our Veterans Health Administration facilities, VA had a systemic, totally unacceptable lack of integrity. That breach of trust—which involved the tracking of patient wait times for appointments—was irresponsible, indefensible, and unacceptable to the Department. Upon learning of the allegations of waiting time manipulation at three VA facilities, VA senior leadership initiated a nationwide audit of scheduling practices which, among other factors, identified: 1) significant lack of clarity regarding scheduling policies and practices across our system; 2) an inflexible and unrealistic 14-day standard for appointment times; 3) inadequate staffing of providers and clerical support at many of the sites that were experiencing the greatest surge in patient demand; and 4) rigid and obsolete scheduling software.

In response to the findings of the national audit, VA immediately suspended the use of the 14-day wait time standard in executive and manager performance plans and launched a comprehensive initiative to accelerate care. Internal resources were deployed to address long wait times; including the hiring of additional clinical and patient support staff, use of temporary staff, and deployment of Mobile Medical Units (MMU). VA also significantly expanded purchased care in those markets where internal provider capacity could not meet the needs of Veterans. Additionally, existing authorities to obtain services from non-VA providers were significantly enhanced by VACAA, which VA is now implementing. VA has already made short-term enhancements to its existing scheduling software, and launched a major effort to procure a 21st century scheduling product to meet the needs of Veterans for decades to come.

Additionally, VA sought external expertise and chartered internal processes to reinvigorate VHA's entire PMP, starting with the system-level measures used for the Annual Performance Plan (APP). VA is resolutely committed to restructuring its process of performance measure governance, with particular attention to how high level priorities are translated into strategic, tactical, and transactional measures that are realistic, achievable, and have the full buy-in of managers and staff. VA's intent is to create an environment in which all VA employees feel engaged with the measures that are used to monitor and improve performance, understand the priority of Veteran-centered care over "meeting the target," and feel comfortable in raising concerns, regardless of their position in the organization. As this is a large scale overhaul of VA's entire program planning, budgeting, performance measurement, and evaluation cycle, VHA anticipates the new system to be fully implemented in FY 2016.
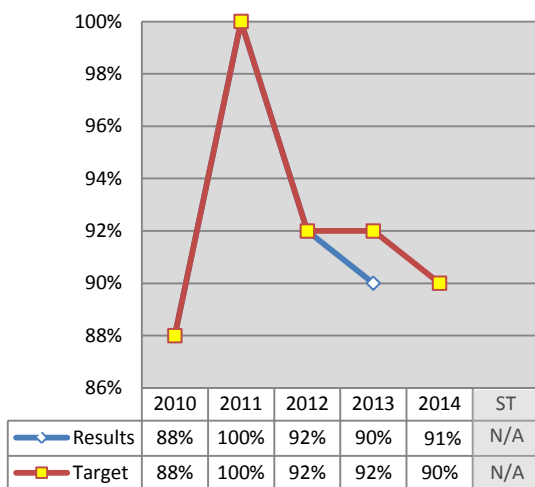
Medical Services

| | **Performance Trends** | | **Impact on Veterans** | |

Performance Trends

	2010	2011	2012	2013	2014	ST
Results	88%	100%	92%	90%	91%	N/A
Target	88%	100%	92%	92%	90%	N/A

Annual data as of September 2014
ST = Strategic Target

Impact on Veterans

Desired Direction

In collaboration with the Public Housing Authorities (PHAs), Housing Choice vouchers, which are subsidies that allow low-income individual and families to find housing in the private market, are assigned to the eligible Veteran. VHA case managers provide the supportive case management services necessary to place and maintain the Veteran in permanent housing. Collaborative relationships between HUD, VA, PHAs, and several hundred non-profit homeless service agencies are critical to engaging homeless Veterans and moving the Veteran into the permanent housing provided by this program.

Results

As of September 30, 2014, 91 percent of vouchers allocated for HUD-VASH resulted in a homeless Veteran obtaining permanent housing. The target of 90 percent was reached by the end of this year. This success was attributed to the continued implementation of Housing First principles to support rapidly housing Veterans and then working to keep them housed. As a result there was continued focus on building strong relationships with the Public Housing Authorities and local landlords to reduce evictions and delays in housing.
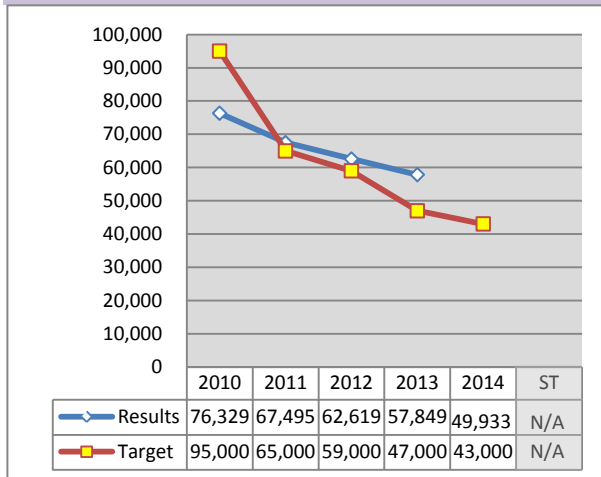
How VA Leadership Uses Results Data

The VHA Homeless Program Office uses data from this measure to coordinate efforts with HUD, ensuring that operational and management focus is directed towards the communities most in need of assistance and guidance. Data from this metric is also incorporated into the formula used to determine future year voucher allocations.

Medical Services

Measure

Number of homeless Veterans (on a single night).   (Supports Agency Priority Goal).

Performance Trends	Impact on Veterans

Performance Trends

	2010	2011	2012	2013	2014	ST
Results	76,329	67,495	62,619	57,849	49,933	N/A
Target	95,000	65,000	59,000	47,000	43,000	N/A

ST = Strategic Target

PIT Count reflects the result of work performance and the fiscal obligations/budget made in the prior fiscal year. The results represent calendar year (CY) PIT counts.

Impact on Veterans

Desired Direction

⬇

Involvement of providers, homeless case managers, and providers of services to homeless Veterans are situated at the "front lines" of homelessness. Their involvement with outreach and provision of services make them one of our most reliable sources for locating and engaging homeless Veterans and engaging them in participation.

How VA Leadership Uses Results Data

This metric serves as the primary determinant of progress in the initiative to end Veteran homelessness. On an annual basis, it is published broadly by HUD and used extensively by HUD, VA and national media. VHA Homeless Program Office also uses data from this metric as the basis for its Homeless Gap Analysis.

Results

While VA did not reach its joint goal with HUD of lowering the number of homeless Veterans to 43,000 as measured by the 2014 Point-in-Time (PIT) Count, there were 49,933 homeless Veterans on a single night in January 2014, representing a 33 percent reduction in homelessness among Veterans since 2010. This includes a nearly 40 percent drop in the number of Veterans sleeping on the street.

Medical Services

Number of Veterans placed in permanent housing, including moves into HUD-VASH program, rapid rehousing placements through SSVF program, and moves from VA residential programs into permanent housing (Supports Agency Priority Goal)(new)

Performance Trends						
	2010	2011	2012	2013	2014	ST
Results	N/Av	N/Av	N/Av	N/Av	50,730	N/A
Target	N/Av	N/Av	N/Av	N/Av	40,000	N/A

Annual data as of September 2014
ST = Strategic Target

Note: This measure is new (or being rebaselined) in FY 2014 and therefore there is limited data available.

ST = Strategic Target

Impact on Veterans

Desired Direction

Placing homeless Veterans into permanent housing is the key factor in successfully ending homelessness among Veterans. Tracking this data point therefore provides VA visibility into progress on this fundamentally important metric.

Results

As of September 30, 2014, an estimated 50,730 permanent housing placements occurred during FY 2014, excluding the final results for the Supportive Services for Veteran Families (SSVF). The target of 40,000 was exceeded this year. This success was attributed to a number of factors, including increased emphasis on permanent housing placements from VA residential programs, increased resources during FY 2014 for the SSVF program to place homeless Veterans into permanent housing, and continued high performance of HUD-VASH program during FY 2014.

The SSVF data uploads are completed each month. Information from these data uploads are available 60 days after the end of the reporting month. As a result, the September 30, 2014 results are estimated figures. The final results (including SSVF's final placements) will be available in November 2014.

How VA Leadership Uses Results Data

As in the case of the PIT Count above, VHA Homeless Program Office uses results from this metric as the core of its Homeless Gap Analysis. Whereas the PIT Count is the primary determinant of need in the gap analysis, this metric is the primary determinant of the degree to which we have met the existing need. When analyzed by a VA medical center, this metric provides important insight into progress towards zero.

Medical Services

Percent of Veterans discharged from VA-funded residential treatment programs–Grant and Per Diem (GPD) or Domiciliary Care for Homeless Veterans (DCHV) who discharge to permanent housing. (Supports Agency Priority Goal) (new)

Performance Trends

	2010	2011	2012	2013	2014	ST
Results	N/Av	N/Av	N/Av	N/Av	65%	N/A
Target	N/Av	N/Av	N/Av	N/Av	65%	N/A

Annual data as of September 2014
ST = Strategic Target

Note: This measure is new (or being rebaselined) in FY 2014 and therefore there is limited data available.

Impact on Veterans

Desired Direction

Placing homeless Veterans into permanent housing is the key factor in successfully ending homelessness among Veterans. Many homeless Veterans, however, have multiple and severe medical conditions, mental illness, or addiction problems which must be treated in residential programs before a Veteran will be capable of maintaining himself or herself in permanent housing.
Tracking this data point therefore provides VA visibility into progress on this fundamentally important metric.

Results

As of September 30, 2014, 65 percent of Veterans discharged from VA-funded residential treatment programs–Grant and Per Diem (GPD) or Domiciliary Care for Homeless Veterans (DCHV) were discharged to permanent housing. The target of 65 percent was met this year. This success was attributed to the continued emphasis on permanent housing outcomes with our community GPD funded partners and VA DCHV programs.

How VA Leadership Uses Results Data

This metric measures the fundamental mission of two of VA's most important transitional housing programs. VHA Homeless Program Office uses this metric to continue to push these programs towards the prioritization of permanent housing placements, ensuring the ongoing culture shift away from a linear model to one that more fully embraces the "Housing First" model.

Medical Services

Measure

Percent of Veterans admitted into the HUD-VASH program who meet criteria for chronic homelessness (new)

	Performance Trends							Impact on Veterans	

Performance Trends

	2010	2011	2012	2013	2014	ST
Results	N/Av	N/Av	N/Av	N/Av	71%	N/A
Target	N/Av	N/Av	N/Av	N/Av	65%	N/A

Annual data as of September 2014
ST = Strategic Target

Note: This measure is new (or being rebaselined) in FY 2014 and therefore there is limited data available.

Impact on Veterans

Desired Direction

⬆

The current VA Plan to End Veteran Homelessness, the Federal Strategic Plan to Prevent and End Homelessness, and Congressional interests all prioritize the need for targeting these most vulnerable Veterans for permanent supportive housing. Chronically homeless are considered the most vulnerable because they are by definition those who have been homeless the longest. They are the Veterans who have been unsuccessful in our other treatment and service options.

Results

As of September 30, 2014, 7 out of every 10 Veterans admitted into the Department of Housing and Urban Development – VA Supportive Housing (HUD-VASH) program meet criteria for chronic homelessness. The target of 65 percent was exceeded this year. This success was attributed to continued prioritization of moving chronically homeless and the most vulnerable Veterans into permanent supportive housing. This emphasis allows for Veterans who have not been successful in traditional programs to be able to obtain a safe place to call home. This focus has contributed to greater outreach efforts to identify Veterans who are on the streets and assisting them with connecting to services and housing.

Medical Services

Percent of unsheltered Veterans moved out of unsheltered status within 30 days of engagement. (Supports Agency Priority Goal)(new)

	Performance Trends					

Performance Trends

	2010	2011	2012	2013	2014	ST
Results	N/Av	N/Av	N/Av	N/Av	80%	N/A
Target	N/Av	N/Av	N/Av	N/Av	80%	N/A

Annual data as of September 2014
ST = Strategic Target

Note: This measure is new (or being rebaselined) in FY 2014 and therefore there is limited data available.

Impact on Veterans

Desired Direction

A key element to ending homelessness among Veterans is the rapid movement of street homeless Veterans to safe and stable housing. Though permanent housing is the goal for all of our homeless Veterans, most need a safe and stable place to live while working to obtain a permanent unit. This metric pushes our system to move literally homeless Veterans off the streets and into safe and stable temporary housing as quickly as possible.

Results

As of September 30, 2014, 80 percent of unsheltered Veterans moved out of unsheltered status within 30 days of engagement. The target of 80 percent was met this year. This success was attributed to further expansion of VA and community outreach services and permanent housing services to unsheltered Veterans.

How VA Leadership Uses Results Data

VHA Homeless Program Office uses this metric to prioritize focus on unsheltered Veterans, and rapidly moving these Veterans to safe and stable housing while engaging them in VA care.

Medical Services

**Percent of patients who use VHA health care using a virtual format
(Agency Priority Goal)(new)**

Performance Trends

	2010	2011	2012	2013	2014	ST
Results	N/Av	N/Av	N/Av	N/Av	32%	N/Av
Target	N/Av	N/Av	N/Av	N/Av	30%	TBD

Annual data as of September 2014
ST = Strategic Target

Note: This measure is new (or being rebaselined) in FY 2014 and therefore there is limited data available

Impact on Veterans

Desired Direction

This measure promotes access for Veterans to health care services when they need and want it using available virtual technology, such as Secure Messaging, Clinical Video Telehealth, Home Telehealth, and Electronic Consultation. The use of these virtual technologies provides access to limited specialty care services without the need to travel long distances.
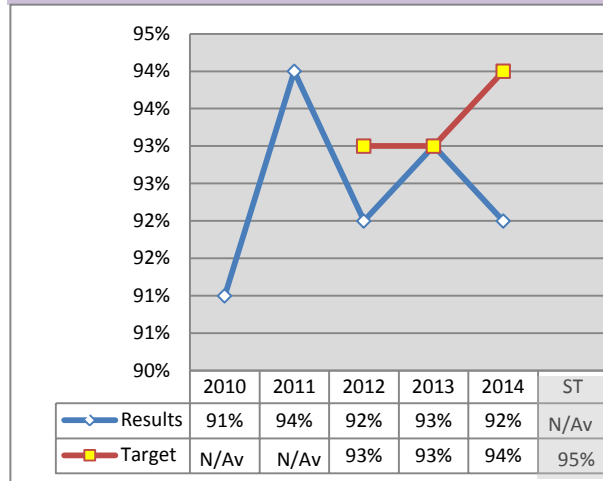
How VA Leadership Uses Results Data

This measure will provide the extent to which all VCM are available to Veterans across VHA and the utilization of each virtual care modality. Performance data can then be used to direct resources and performance improvement activities at a local level.

Results

As of September 23, 2014, VHA had a combined 1,793,557 individuals accessing care using a virtual format, which exceeded the FY 2014 target of 30 percent by 2 percent. VCM covers a number of tools, such as home Telehealth, Secure Messaging, and electronic consults. Secure messaging makes up the greatest portion of VCM users, giving the Veteran instant access to their health care team. Telehealth is the next most frequent VCM used within VA, providing convenient care to Veterans directly in their home and community.

Medical Services

Measure
Prevention Index V

Performance Trends	Impact on Veterans

Performance Trends

	2010	2011	2012	2013	2014	ST
Results	91%	94%	92%	93%	92%	N/Av
Target	N/Av	N/Av	93%	93%	94%	95%

Actual data are as of September 2014
ST = Strategic Target

Impact on Veterans

Desired Direction

This measure is an indicator of how well VA promotes healthy lifestyle changes such as immunizations, quitting smoking, and early screening for cancer.

Results

Performance for this measure was 92 percent for FY 2014. VHA advocacy for health promotion, disease prevention, and patient health education for our nation's Veterans has resulted in ongoing success with this measure. Programs promoted by the VHA National Center for Health Promotion and Disease Prevention contribute to healthy living among Veterans, provide facility support for preventive care, train clinical staff in patient-centered communication, and provide resources for Veterans to receive health promotion and disease prevention services.

How VA Leadership Uses Results Data

Monitoring and tracking Prevention Index results helps VA medical staff with early identification of disease risk and intervention for risky behaviors. VA medical staff also do the following:

- Target education, immunization programs, and clinic access to prevent or limit potential disabilities resulting from these activities and/or diseases.
- Identify patients in need of prevention screening for cancer.
- Help identify cancers before the Veteran develops symptoms, and provide the opportunity for earlier intervention.

In addition, as a matter of policy and practice, VA targets all outpatients for its prevention measures with the goal of promoting and maintaining a healthy population.

Medical Services

Measure

Clinical Practice Guidelines Index IV

Performance Trends

	2010	2011	2012	2013	2014	ST
Results	92%	91%	94%	92%	93%	N/Av
Target	N/Av	N/Av	92%	92%	93%	94%
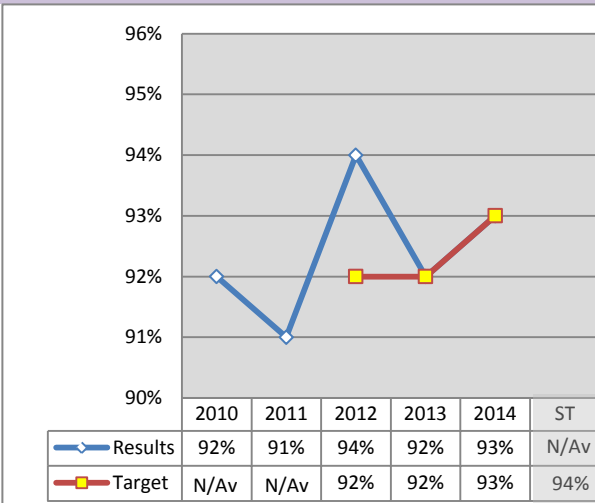
Actual data are as of September 2014
ST = Strategic Target

Results

Performance for this measure was 93 percent for FY 2014. VHA advocacy for health promotion, disease prevention, and patient health education for our nation's Veterans has resulted in ongoing success with this measure. Programs promoted by the VHA National Center for Health Promotion and Disease Prevention contribute to healthy living among Veterans, provide facility support for preventive care, train clinical staff in patient-centered communication, and provide resources for Veterans to receive health promotion and disease prevention services.

Impact on Veterans

Desired Direction

This measure is an indicator of how well VA performs regarding early identification and treatment of potentially disabling or deadly diseases such as heart attack, inpatient congestive heart failure, high blood pressure, diabetes, and pneumonia.

The index focuses primarily on the care provided to inpatients and is used to assess the quality of health care being delivered to its patients in accordance with industry standards.

How VA Leadership Uses Results Data

Data is used by leadership to do the following:
- Identify and assess opportunities for early identification of acute and potentially disabling chronic diseases.
- Identify opportunities for managing entire chronic disease populations.
- Provide interventions based on clinical practice guidelines.

Overall, Clinical Practice Guidelines Index data enable VA to target patient and employee education, focus on disease management, and provide access to care to prevent or limit the effects of potentially disabling diseases. The goal of disease management is to improve the quality of life for Veterans.

Medical Services

Percent of patients who responded "yes" on Patient-Centered Medical Home survey questions that contribute to the Self-Management Support Composite (providers support you in taking care of your own health).

Performance Trends

	2010	2011	2012	2013	2014	ST
Results	N/Av	N/Av	N/Av	N/Av	58%	N/Av
Target	N/Av	N/Av	N/Av	N/Av	Baseline	63%

Annual data as of September 2014
ST = Strategic Target

Note: This measure is new (or being rebaselined) in FY 2014 and therefore there is limited data available

Results

The VA system average for Self-Management Support has been relatively stable for all of FY 2014 where 58 percent of patients answer "Yes" to these questions. Specialized reports such as Attributable Effects identify "key drivers" of the Overall Rating of the VA Hospital Stay. Staff uses these results to identify opportunities for changing and improving the personalized delivery model of care.

Impact on Veterans

Desired Direction

The two questions that contribute to this composite evaluate the providers support for Veterans in taking care of their own health.

How VA Leadership Uses Results Data

Veterans expect to have significant involvement in the medical decisions about their care, and research is demonstrating that patient involvement significantly improves outcomes. The Veterans' experience with health care and their ability to participate in the decision-making regarding their care is a critical component of patient-centric care and is itself an outcome of quality of care. Results of this measure will be used to evaluate satisfaction and Veteran involvement in their own care and identify opportunities to enhance the communication of important information.
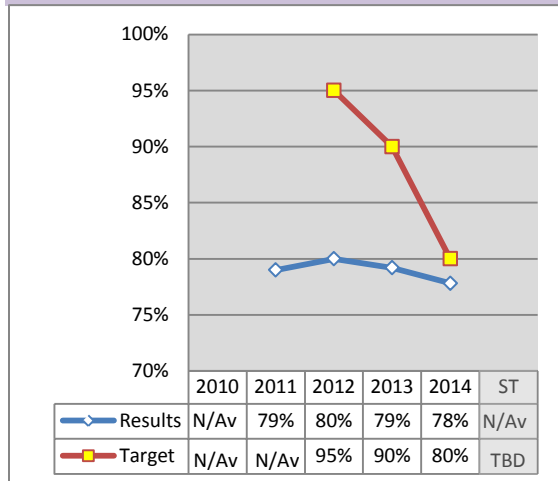
Medical Services

Measure

Percent of Non-VA Claims Paid in 30 Days

Performance Trends

	2010	2011	2012	2013	2014	ST
Results	N/Av	79%	80%	79%	78%	N/Av
Target	N/Av	N/Av	95%	90%	80%	TBD

Impact on Veterans

Desired Direction

Timely payment of Non-VA Care claims impacts provider participation and Veteran satisfaction. Provider participation and Veteran confidence in VA claims processing is likely to increase with improved timeliness of claims payment.

How VA Leadership Uses Results Data

Leadership uses data results to make informed decisions with regard to resourcing, recruitment, training, and IT improvement. VA is working to implement a new claims processing system which will increase the ability to process claims more efficiently. It is expected to be implemented in FY 2016 and VA will be able to re-asses the targets at that time.

Results

The established goal is to pay 80 percent of all claims within 30 days and we monitor the status on weekly basis. As of September 30, 2014 we achieved a 76.7 percent of claims paid within 30 days. On October 1, 2014. Chief Business Office Purchased Care was charged with consolidating the processing of all Non-VA Care claims. This will provide an opportunity to improve timeliness results.
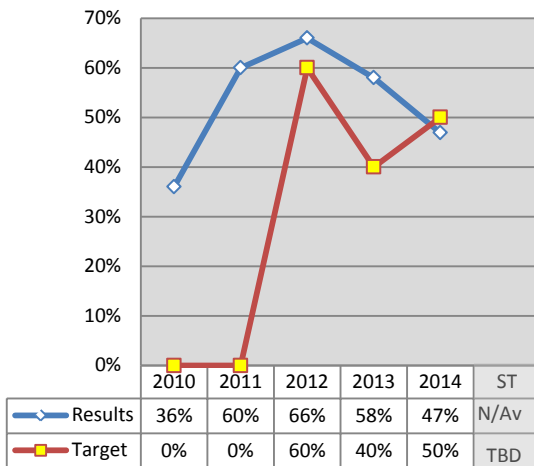
Benefits

Measure
Percentage of Disability Compensation and Pension Claims inventory over 125 days

Performance Trends

	2010	2011	2012	2013	2014	ST
Results	36%	60%	66%	58%	47%	N/Av
Target	0%	0%	60%	40%	50%	TBD

Actual data are as of September 2014
ST = Strategic Target

Impact on Veterans

Desired Direction

VBA's goal is to process all compensation and pension rating claims within 125 days of receipt. This will ensure all Veterans receive a timely decision on their claim.

How VA Leadership Uses Results Data

VA leadership uses data results to manage the compensation and pension programs and to implement performance strategies such as training needs, quality enhancement opportunities, improved procedures, changes in policy to improve timeliness, workload realignment, and staffing levels.

Results

VBA processed a record 1.3 million Disability and Pension claims and finished FY2014 with 46.9 percent in the Backlog. The Backlog is defined as any disability claim over 125 days old. The number of claims older than 125 days has dropped by more than 60 percent to 241,991, compared to a high of 611,073 in March 2013. VBA continues to aggressively pursue its Transformation Plan, a series of tightly integrated people, process, and technology initiatives, which is critical in eliminating the claims backlog. These initiatives include a new organizational model for all 56 regional offices and shifting from a paper-based paradigm to a robust and intelligent digital operating environment using such applications as the Veterans Benefits Management System (VBMS). VA has moved from touching 5,000 tons of paper annually to processing 93 percent of disability claims electronically and automating processes to improve accuracy and productivity.

Benefits

Measure

Percentage of Disability Compensation Claims inventory over 125 days

	Performance Trends

	2010	2011	2012	2013	2014	ST
Results	37%	62%	67%	59%	50%	N/Av
Target	N/Av	N/Av	N/Av	38%	50%	TBD

Actual data are as of September 2014
ST = Strategic Target

Impact on Veterans

Desired Direction

VBA's goal is to process all compensation rating claims within 125 days of receipt. This will ensure all Veterans receive timely decisions on their claims.

The VBA backlog was 59 percent at the end of 2013, and decreased to 47 percent in 2014.

How VA Leadership Uses Results Data

VA leadership uses results to manage the compensation program and implement strategies to improve performance, such as new training, quality enhancement activities, more efficient procedures, changes in policy, workload realignment, and revised staffing levels.

To achieve processing efficiencies that will enable VA to reduce the claims backlog and improve decision quality, VA is employing a synchronized and integrated transformation strategy that incorporates people, process, and technology-based initiatives. These initiatives have included a new organizational model for all 56 regional offices and shifting from a paper-based paradigm to a robust and intelligent digital operating environment using such applications as the Veterans Benefits Management System. VA has moved from touching 5,000 tons of paper annually to processing 93 percent of disability claims electronically and automating processes to improve accuracy and productivity.

Results

The number of disability compensation claims older than 125 days has significantly dropped to 241,279 compared to a high of about 600,654 in March 2013, which is a reduction of 60 percent. VBA is aggressively pursuing its Transformation Plan, a series of tightly integrated people, process, and technology initiative, which are critical to eliminating the claims backlog in 2015.
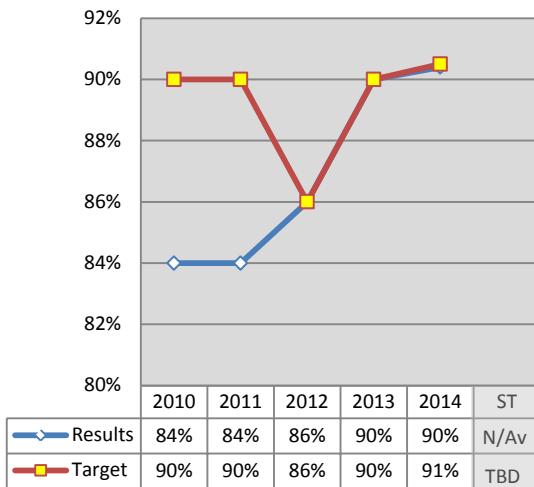
Benefits

Measure
National Accuracy Rate – Improve national claim-based rating accuracy for disability claims

Performance Trends

	2010	2011	2012	2013	2014	ST
Results	84%	84%	86%	90%	90%	N/Av
Target	90%	90%	86%	90%	91%	TBD

Actual data are as of September 2014

ST = Strategic Target

Results

Claim-based quality remained at 90 percent in 2014. VBA was able to maintain the quality rate while the number of claims processed increased dramatically.
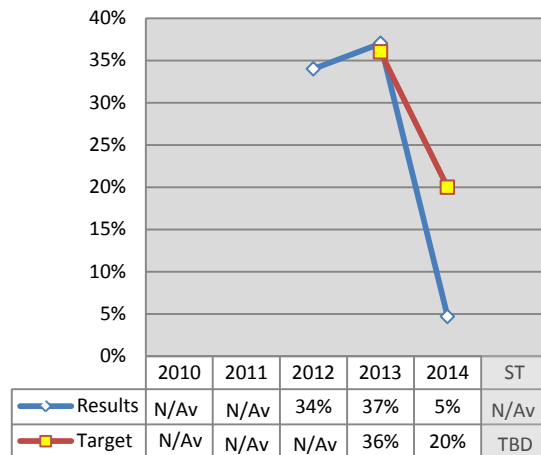
Impact on Veterans

Desired Direction

Veterans are entitled to accurate decisions on their compensation claims. Monitoring accuracy helps ensure that VA provides the correct level of benefits to Veterans. Over the past three fiscal years, VBA has seen an increase in the national accuracy rate for compensation claims. Increase in claims accuracy can lead to increased Veterans' satisfaction with their rating decisions.

How VA Leadership Uses Results Data

VA leadership uses the results to manage the compensation programs and to implement performance strategies such as training needs, quality enhancement opportunities, improved procedures, changes in policy to improve timeliness, workload realignment, and staffing levels.

Leadership and the quality assurance (QA) team use the national accuracy rate to track the national accuracy trends and error category trends at regional offices. The national accuracy rate helps the QA staff determine if training or clarification of policy guidance is needed to meet monthly quality goals. VBA anticipates the accuracy rate will continue to increase with the continued use of quality review teams in each regional office and the analysis of issue-based errors analysis at the local and national levels.

Benefits

Measure

Percentage of original and reopened Pension Claims inventory over 125 days

Performance Trends	Impact on Veterans

	2010	2011	2012	2013	2014	ST
Results	N/Av	N/Av	34%	37%	5%	N/Av
Target	N/Av	N/Av	N/Av	36%	20%	TBD

Actual data are as of September 2014
 ST = Strategic Target

Impact on Veterans

Desired Direction

VBA's goal is to process all compensation and pension rating claims within 125 days of receipt. This will help to ensure that all Veterans receive a timely decision on their claim.

Results

The number of total pension claims older than 125 days has dropped to 466 compared to a high of 14,547 in June 2013, a 97 percent reduction.

VBA attributes the reduction in total claims older than 125 days in great part to redirecting resources at the Pension Management Centers in order to focus on the oldest claims and the brokering of claims between stations based on available capacity and pending workload. The Milwaukee and St. Paul Pension Management Centers completed over 8,000 claims from the Philadelphia Pension Management Centers in FY 2014, which made considerable strides against the VBA's backlog.
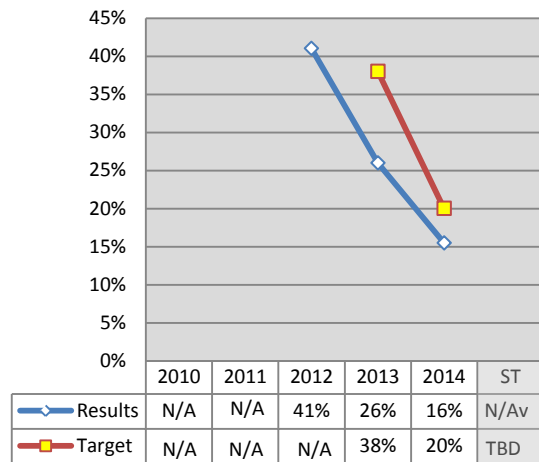
How VA Leadership Uses Results Data

VA leadership uses data results to manage the compensation and pension programs and to implement performance strategies such as training needs, quality enhancement opportunities, improved procedures, changes in policy to improve timeliness, workload realignment, and staffing levels.

To achieve processing efficiencies that will enable VA to reduce the claims backlog and improve decision quality, VA is employing a synchronized and integrated transformation strategy that incorporates people, process, and technology-based initiatives. These initiatives include a new organizational model for all 56 regional offices and shifting from a paper-based paradigm to a robust and intelligent digital operating environment using such applications as VBMS. VA has moved from touching 5,000 tons of paper annually to processing 93 percent of disability claims electronically and automating processes to improve accuracy and productivity.

Benefits

Measure

Percentage of Dependency and Indemnity Compensation (DIC) claims inventory over 125 days

Performance Trends

	2010	2011	2012	2013	2014	ST
Results	N/A	N/A	41%	26%	16%	N/Av
Target	N/A	N/A	N/A	38%	20%	TBD

Actual data are as of September 2014
ST = Strategic Target

Impact on Veterans

Desired Direction

VBA's goal is to process all dependency and indemnity compensation claims within 125 days of receipt. This will ensure eligible survivors receive a timely decision on their claim.

How VA Leadership Uses Results Data

VA leadership uses data results to manage the compensation and pension programs and to implement performance strategies such as training needs, quality enhancement opportunities, improved procedures, changes in policy to improve timeliness, workload realignment, and staffing levels.

To achieve processing efficiencies that will enable VA to reduce the claims backlog and improve decision quality, VA is employing a synchronized and integrated transformation strategy that incorporates people, process, and technology-based initiatives. These initiatives include a new organizational model for all 56 regional offices and shifting from a paper-based paradigm to a robust and intelligent digital operating environment using such applications as the Veterans Benefits Management System.

Results

The backlog in Dependency and Indemnity Compensation (DIC) claims over 125 days old fell from 26 percent in FY 2013 to 16 percent in FY 2014, exceeding the 20 percent goal.

The number of DIC claims pending longer than 125 days has dropped to 1,082, compared to 2,954 at the end of FY 2013.

VBA attributes the reduction in total claims pending longer than 125 days to redirecting resources at the Pension Management Centers to focus on the oldest claims and the brokering of claims between stations based on available capacity and pending workload.

Benefits

Measure
Percentage of Disability Compensation Claims received electronically

Performance Trends

	2010	2011	2012	2013	2014	ST
Results	N/Av	N/Av	N/Av	2%	7%	N/Av
Target	N/Av	N/Av	N/Av	N/Av	12%	TBD

Annual data as of September 2014
ST = Strategic Target

Note: This measure is new (or being rebaselined) in FY 2014 and therefore there is limited data available.

Impact on Veterans

Desired Direction

Electronic transactions are more complete and can help expedite VA processing of benefit claims and information inquiries.

Improving the use of electronic transactions supports VA's initiative to increase the number of fully developed claims submitted, improve processing time, and facilitate reduction in the disability claims backlog.

How VA Leadership Uses Results Data

VA analyzes this data, as well as satisfaction surveys, to determine trends of information that are used to enhance existing online electronic claim submission applications and/or introduce new technology to improve Veterans' access to benefits and services.

VA also encourages Veterans via marketing campaigns to utilize electronic transactions as part of VA's transformation from a paper-based claims system to an electronic environment.

Results

VA is making progress on the percentage of disability compensation claims received electronically. Key functionality is now in place that allows Veterans Service Organizations (VSOs) to submit claims electronically on behalf of claimants via the Stakeholder Enterprise Portal (SEP). This enhancement should lead to increased electronic claim submissions.

In addition, VA continues to deploy Digits-to-Digits (D2D), which allows VSOs, county VSOs, and State Veterans Affairs agencies with their own claims management systems to electronically submit compensation claims to VA. This "machine-to-machine" interaction will benefit Veterans by expediting claims submission, and benefit VSOs, county VSOs, and State agencies by allowing them to leverage their current claims management systems and reduce the need to print and mail information to VA.
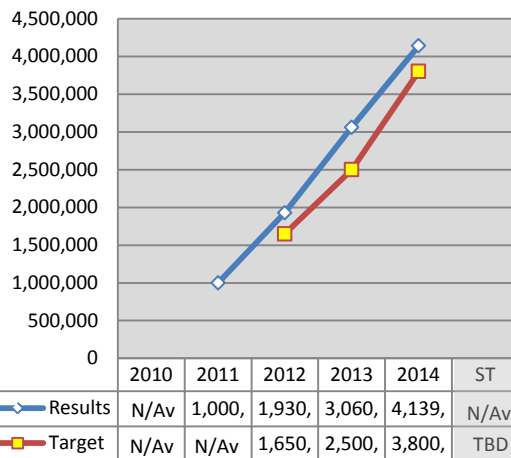
Benefits

Measure
Number of registered eBenefits users

Performance Trends	Impact on Veterans

Performance Trends

	2010	2011	2012	2013	2014	ST
Results	N/Av	1,000,	1,930,	3,060,	4,139,	N/Av
Target	N/Av	N/Av	1,650,	2,500,	3,800,	TBD

Actual data are as of September 2014
ST = Strategic Target

Impact on Veterans

Desired Direction

Self-service technology-enabled interactions provide access to information and the ability to execute transactions when, where, and how the client desires. eBenefits is an important virtual point of entry for clients to access their benefits and services. VA seeks to increase the number of eBenefits users, which will directly improve Veterans' access to their benefit information.
Improving the capabilities for managing benefit processes electronically will facilitate Veterans improving their access and timeliness of transactions.

How VA Leadership Uses Results Data

Results

eBenefits has 4,139,030 registered users as of September 30, 2014. Since March 31, 2014, 535,204 new individuals obtained access to eBenefits, a 13 percent increase. eBenefits has exceeded its target for FY14.

Outreach efforts to increase eBenefits utilization have included radio and television public service announcements, which yielded over $6 million in donated air time.

VA and DoD continue to improve functionality for registered eBenefits users by increasing access to benefits and personal information; expanding awareness of services and benefits available through the online transition assistance training and health benefits eligibility tools; and implementing secure messaging and prototype mobile applications that will enable access to benefits information and responses from health care providers.

VA analyzes this data, as well as satisfaction surveys, to determine factors which may impact registration rates. VA uses this information for such activities as introducing additional functionality to increase access to benefits and personal information.

Benefits

	Measure
Number of accredited Veterans advocates registered in the Stakeholder Enterprise Portal	

Performance Trends		Impact on Veterans

Performance Trends

	2010	2011	2012	2013	2014	ST
Results	N/Av	N/Av	N/Av	1,000	1,862	N/Av
Target	N/Av	N/Av	N/Av	N/Av	2,000	TBD

Annual data as of September 2014
ST = Strategic Target

Note: This measure is new (or being rebaselined) in FY 2014 and therefore there is limited data available.

Impact on Veterans

Desired Direction ⬆

Veterans have the option to submit claims on paper or electronically. Electronic claim submissions offer several advantages to claimants, including easier access to status information and increased feasibility for automated processing of certain benefits. VA encourages Veterans without access to the Internet to work with a Veteran's advocate, such as a Veterans Service Organization (VSO), that has electronic access via the Stakeholder Enterprise Portal (SEP).

As part of this overall strategy, VA seeks to increase the number of Veterans advocates who are registered users of the SEP.

Results

The SEP has 1,862 VSO representatives registered as of September 30, 2014, representing 75 unique organizations. Since March 31, 2014, 480 new individuals obtained access to SEP, a 35 percent increase but still below target.

During the 3rd quarter of FY 2014, VA participated in four major outreach initiatives with VSOs in California, Texas, Ohio, and Michigan to increase SEP awareness and registration. Over 700 VSOs received training on the functionalities within SEP, including electronic claim submission.

How VA Leadership Uses Results Data

VA analyzes this data, as well as satisfaction surveys, to determine factors which may impact registration rates. VA uses this information for a variety of activities, such as enhancing SEP functionality; marketing the portal and its benefits; targeting additional training; and reducing the level of effort necessary to register for the site.

Benefits

Measure
Overall customer satisfaction index score (compensation)

| | Performance Trends | | Impact on Veterans |

Performance Trends

	2010	2011	2012	2013	2014	ST
Results	N/Av	N/Av	N/Av	N/Av	618	N/Av
Target	N/Av	N/Av	N/Av	N/Av	Baseline	TBD

Annual data as of September 2014
ST = Strategic Target

Note: This measure is new (or being rebaselined) in FY 2014 and therefore there is limited data available.

Impact on Veterans

Desired Direction

↑

This measure helps VA understand what Veterans and other customers consider important about its benefits and services, and how satisfied they are with those benefits and services.

Results

FY 2014 is the first full year of the Voice of the Veteran Line of Business Tracking Study, which measures client satisfaction across all of VA's major benefit programs. VA is currently completing the baseline measures for its FY 2014 customer satisfaction measures and developing the FY 2015 goals.

How VA Leadership Uses Results Data

This measure provides VA leadership with continuous, actionable, and timely feedback on how VA is performing according to Veterans and other customers who use or seek to use its benefits and services. Leadership uses this data to: 1) provide Veterans and other customers opportunities to comment on their experiences with VA benefits and services; 2) formulate program and policy changes in enrollment and servicing to ensure that the most effective delivery of those benefits and services; 3) identify the most influential elements of customer satisfaction; and 4) gauge the effectiveness of program and policy changes in improving customer experiences with VA.

Benefits

Measure
Overall customer satisfaction index score (pension)

Performance Trends	Impact on Veterans

Performance Trends

	2010	2011	2012	2013	2014	ST
Results	N/Av	N/Av	N/Av	N/Av	666	N/Av
Target	N/Av	N/Av	N/Av	N/Av	Baseline	TBD

Annual data as of September 2014
ST = Strategic Target

Note: This measure is new (or being rebaselined) in FY 2014 and therefore there is limited data available.

Impact on Veterans

Desired Direction

↑

This measure helps VA understand what Veterans and other customers consider important about its benefits and services, and how satisfied they are with those benefits and services.

Results

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Benefits

Measure
Overall customer satisfaction index score (education)(new)

Performance Trends	Impact on Veterans

Performance Trends

	2010	2011	2012	2013	2014	ST
Results	N/Av	N/Av	N/Av	N/Av	762	N/Av
Target	N/Av	N/Av	N/Av	N/Av	Baseline	TBD

Annual data as of September 2014
ST = Strategic Target

Note: This measure is new (or being rebaselined) in FY 2014 and therefore there is limited data available.

Impact on Veterans

Desired Direction

This measure helps VA understand what Veterans and other customers consider important about its benefits and services, and how satisfied they are with those benefits and services.
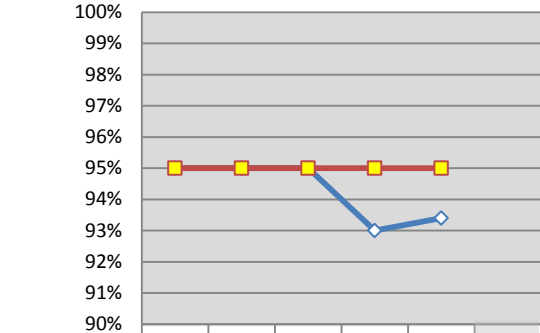
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Benefits

Rate of high client satisfaction ratings on insurance services delivered

Performance Trends

	2010	2011	2012	2013	2014	ST
Results	95%	95%	95%	93%	93%	N/Av
Target	95%	95%	95%	95%	95%	TBD

Actual data are as of September 2014

ST = Strategic Target

Results

VA fell just short of its ambitious target rate of high client satisfaction ratings on Insurance services delivered, due primarily to reduced Veteran satisfaction with the promptness and accuracy VA showed in following up on customer telephone calls. VA has implemented an action plan to conduct refresher training to ensure that follow-up action is taken accurately. VA also recruited and trained additional staff to increase the timeliness of follow-up actions.

Impact on Veterans

Desired Direction

High levels of client satisfaction indicate that VA provides quality service and implements and administers insurance programs that meet the needs of Veterans and their beneficiaries.

How VA Leadership Uses Results Data

Leadership analyzes the results of the monthly client satisfaction surveys of 11 insurance services and addresses any problems identified. One of the most critical questions the surveys ask is, "How can we improve our service?" VA takes action on these comments as needed, including reviewing processes and implementing refresher training on customer service.

Benefits

Veterans' satisfaction with the Vocational Rehabilitation & Employment program (new)

Performance Trends							Impact on Veterans	

Performance Trends

	2010	2011	2012	2013	2014	ST
Results	N/Av	N/Av	N/Av	N/Av	698	N/Av
Target	N/Av	N/Av	N/Av	N/Av	Baseline	TBD

Annual data as of September 2014
ST = Strategic Target

Note: This measure is new (or being rebaselined) in FY 2014 and therefore there is limited data available.

Impact on Veterans

Desired Direction

This measure helps VA understand what Veterans and other customers consider important about its benefits and services, and how satisfied they are with those benefits and services.

Results

FY 2014 is the first full year of the Voice of the Veteran Line of Business Tracking Study, which measures client satisfaction across all of VA's major benefit programs. VA is currently completing the baseline measures for its FY 2014 customer satisfaction measures and developing the FY 2015 goals.

How VA Leadership Uses Results Data

This measure provides VA leadership with continuous, actionable, and timely feedback on how VA is performing according to Veterans and other customers who use or seek to use its benefits and services. Leadership uses this data to: 1) provide Veterans and other customers opportunities to comment on their experiences with VA benefits and services; 2) formulate program and policy changes in enrollment and servicing to ensure that the most effective delivery of those benefits and services; 3) identify the most influential elements of customer satisfaction; and 4) gauge the effectiveness of program and policy changes in improving customer experiences with VA.

Benefits

Measure
Veterans' satisfaction level with the VA Loan Guaranty program (new)

Performance Trends

	2010	2011	2012	2013	2014	ST
Results	N/Av	N/Av	N/Av	N/Av	815	N/Av
Target	N/Av	N/Av	N/Av	N/Av	Baseline	TBD

Annual data as of September 2014
ST = Strategic Target

Note: This measure is new (or being rebaselined) in FY 2014 and therefore there is limited data available.

Impact on Veterans

Desired Direction

This measure helps VA understand what Veterans and other customers consider important about its benefits and services, and how satisfied they are with those benefits and services.

Results

FY 2014 is the first full year of the Voice of the Veteran Line of Business Tracking Study, which measures client satisfaction across all of VA's major benefit programs. VA is currently completing the baseline measures for its FY 2014 customer satisfaction measures and developing the FY 2015 goals.

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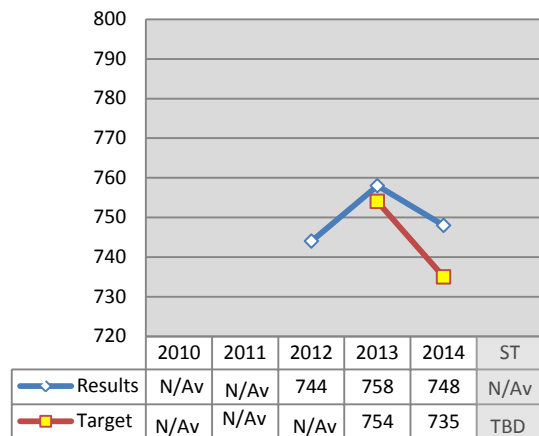
Benefits

<table>
<tr><th colspan="2">Measure</th></tr>
<tr><td colspan="2">National call center client satisfaction index score</td></tr>
</table>

Performance Trends	Impact on Veterans

Desired Direction ↑

The client satisfaction index score reports the level of customer service provided to Veterans and their families by the associated Call Center.

One of VA's primary objectives is to ensure that Veterans and their families receive timely and sufficient information when utilizing our Call Centers.

	2010	2011	2012	2013	2014	ST
Results	N/Av	N/Av	744	758	748	N/Av
Target	N/Av	N/Av	N/Av	754	735	TBD

Actual data are as of September 2014
ST = Strategic Target

Results

From FY 2013 to 2014, the average client satisfaction score increased and is currently at 748 (above the 735 target). This increase can be attributed to several new and on-going initiatives, including the Virtual Hold Call-Back System and the implementation of the dedicated VSO service line. Also, the Unified Desktop program provides Call Agents consolidated views of Veterans' claims, auto-populated data, and smart scripts. The new prompt regarding Reports of Death also provides immediate routing for specialized assistance. Greater utilization of VBA's Knowledge Management site allows Call Agents to review scripts addressing breaking VA news, compensation policies and procedures, and crisis intervention. Additional improvements and easier access to this site will enhance call agents' ability to sufficiently answer questions and provide a higher level of customer service.

How VA Leadership Uses Results Data

VA analyzes client satisfaction scores to understand and compare its various Call Centers and the level of customer service they are providing to Veterans and their families.

This information is used in developing new training and identifying areas of opportunity to better meet callers' needs and preferences. J.D. Power and Associates conducts this survey and provides feedback and strategies to improve customer service processes in the Call Centers.

Benefits

Measure
Pension call center client satisfaction index score

Performance Trends

	2010	2011	2012	2013	2014	ST
Results	N/Av	N/Av	N/Av	732	766	N/Av
Target	N/Av	N/Av	N/Av	N/Av	735	TBD

Annual data as of September 2014
ST = Strategic Target

Note: This measure is new (or being rebaselined) in FY 2014 and therefore there is limited data available.

Impact on Veterans

Desired Direction

The client satisfaction index score reports the level of customer service provided to Veterans and their families by the Pension Call Center. Claimants can contact the Pension Call Center to retrieve information regarding their pending or completed pension benefits.

One of VA's primary objectives is to ensure that Veterans and their families receive timely and sufficient information when utilizing our Call Centers.

How VA Leadership Uses Results Data

VA analyzes client satisfaction scores to understand and compare the Call Centers and the level of customer service they are providing to Veterans and their families.
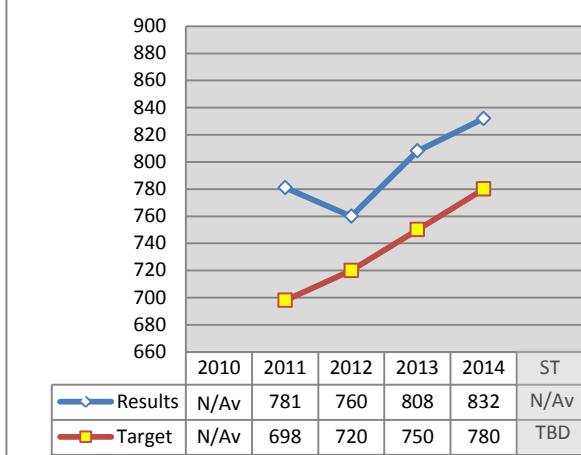
This information is used in developing new training and identifying areas of opportunity to better meet callers' needs and preferences. J.D. Power and Associates conducts this survey and provides feedback and strategies to improve customer service processes in the Call Centers.

Results

From FY 2013 to FY 2014, the average client satisfaction score has increased and is currently 766 (above the 735 target). This increase can be attributed to several on-going initiatives, including the Virtual Hold Call-Back System and the Unified Desktop, which provide Call Agents consolidated views of Veteran information, auto-populated data, and smart scripts. Increased utilization of VBA's Knowledge Management site allows Call Agents to provide greater customer service by searching a variety of information on breaking VA news, pension policies and procedures, and crisis intervention.

Benefits

Measure
Education call center client satisfaction index score

Performance Trends

	2010	2011	2012	2013	2014	ST
Results	N/Av	781	760	808	832	N/Av
Target	N/Av	698	720	750	780	TBD

Actual data are as of September 2014
 ST = Strategic Target

Results

From FY 2013 to FY 2014, the average client satisfaction score has increased and is currently at 832 (above the 780 target). This increase can be attributed to several on-going initiatives, including the Virtual Hold Call Back System and the School Certifying Official line. Continued automation improvements increase overall customer service and the Veterans' experience with obtaining necessary information about their education benefits.

Impact on Veterans

Desired Direction

The client satisfaction index score reports the level of customer service provided to Veterans and their families by the Education Call Center. Claimants can contact the Education Call Center to retrieve information regarding their pending or completed education benefits.

One of VA's primary objectives is to ensure that Veterans and their families receive timely and sufficient information when utilizing our Call Centers.

How VA Leadership Uses Results Data

VA analyzes client satisfaction scores to understand and compare the Call Centers and the level of customer service they are providing to Veterans and their families.

This information is used in developing new training and identifying areas of opportunity to better meet callers' needs and preferences. J.D. Power and Associates conducts this survey and in their presentation to senior leaders they provide feedback and strategies to better improve customer service processes in the Call Centers.
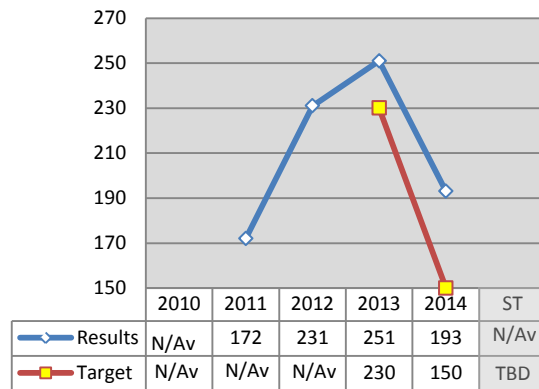
Benefits

Measure
Average days to complete – original survivors pension claims

Performance Trends	Impact on Veterans

Performance Trends

	2010	2011	2012	2013	2014	ST
Results	N/Av	172	231	251	193	N/Av
Target	N/Av	N/Av	N/Av	230	150	TBD

Actual data are as of September 2014
ST = Strategic Target

Impact on Veterans

Desired Direction

Survivors are entitled to a timely decision on their pension claims.

VBA's goal is to process all survivor pension claims in a timely manner. This will ensure these financially disadvantaged survivors receive a timely decision on their claim.

Results

VBA did not meet the FY 2014 target of 150 average days to complete original survivor pension claims, though it did reduce the average days to complete from 251 days at the end of FY 2013 to 193.3 days at the end of FY 2014.

In December 2012, VBA eliminated the requirement of Eligibility Verification Reports as a result of increased data sharing with the Internal Revenue Service and Social Security Administration. This eliminated 140,000 work items from the Pension Management Centers workload in both 2013 and 2014 allowing VBA to continue to divert resources to working the backlog of survivor pension claims and other Pension Management Center rating work.

How VA Leadership Uses Results Data

VA leadership uses data results to manage its benefits programs and to implement performance strategies such as training needs, quality enhancement opportunities, improved procedures, changes in policy to improve timeliness, workload realignment, and staffing levels.

To achieve processing efficiencies that will enable VA to reduce the claims backlog and improve decision quality, VA is employing a synchronized and integrated transformation strategy that incorporates people, process and technology-based initiatives.

Benefits

Measure

Average days to complete original education claims
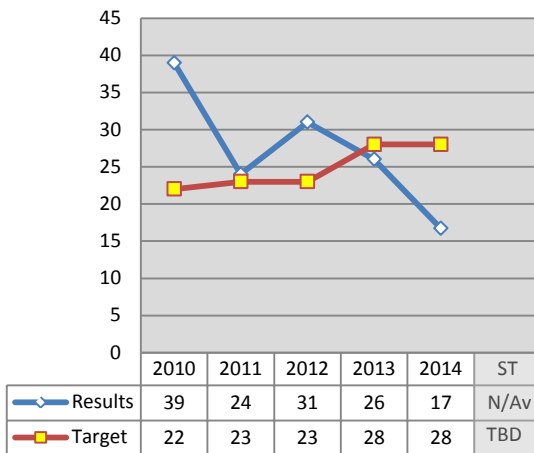
Performance Trends

	2010	2011	2012	2013	2014	ST
Results	39	24	31	26	17	N/Av
Target	22	23	23	28	28	TBD

Actual data are as of September 2014
ST = Strategic Target

Results

VBA met the timeliness target. VBA redirected additional processing resources to complete original claims.

Impact on Veterans

Desired Direction

Making timely eligibility determinations is critical to helping Veterans meet their educational goals.

How VA Leadership Uses Results Data

VA management uses performance results to pinpoint areas of performance weakness and then take appropriate corrective actions.

In FY 2014, such actions included aggressive monitoring of workload to determine when pointing processing resources from one Regional Processing Office (RPO) to another was necessary to proportionally balance workload across the four. VA routinely reviews processing policies to streamline the entire claims process based on case reviews identifying duplication of effort and redundant or unnecessary development. Additional enhanced functionalities continue to be added to the Long Term Solution to improve Post 9/11 GI Bill claims processing.

Education claims intake is cyclical with peaks at the beginning of the fall, spring, and summer. This data is used to determine when mandatory overtime may be needed to address the cyclical intake peaks.

Benefits

Measure
Average days to complete supplemental education claims
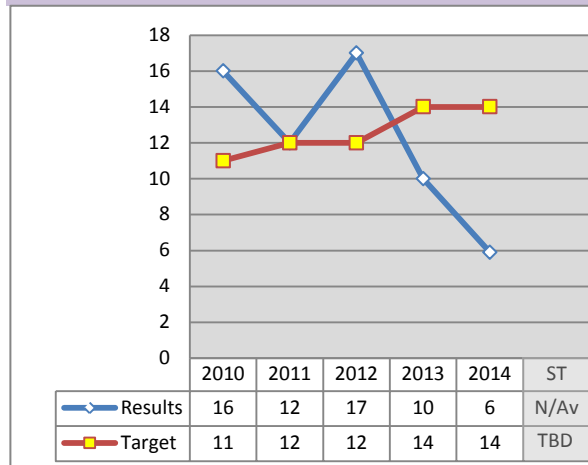
Performance Trends

	2010	2011	2012	2013	2014	ST
Results	16	12	17	10	6	N/Av
Target	11	12	12	14	14	TBD

Actual data are as of September 2014
ST = Strategic Target

Results

VBA met the timeliness target. VBA leveraged the productivity gains from the Long Term Solution end-to-end automation function to support the processing of supplemental claims.

Impact on Veterans

Desired Direction

Making timely supplemental award payments is critical to helping Veterans meet their financial commitments associated with attaining their educational goals.

How VA Leadership Uses Results Data

VA management uses performance results to pinpoint areas of performance weakness and then take appropriate corrective actions.

In 2014, such actions included aggressive monitoring of workload to determine when pointing processing resources from one RPO to another was necessary to proportionally balance workload across the four. VA routinely reviews claims processing policies to streamline the entire claims process based on case reviews identifying duplication of efforts and redundant or unnecessary development. Additional enhanced functionalities continue to be added to the Long Term Solution to improve Post 9/11 GI Bill claims processing.

Education claims intake is cyclical with peaks at the beginning of the fall, spring, and summer. This data is used to determine when mandatory overtime may be needed to address the cyclical intake peaks.
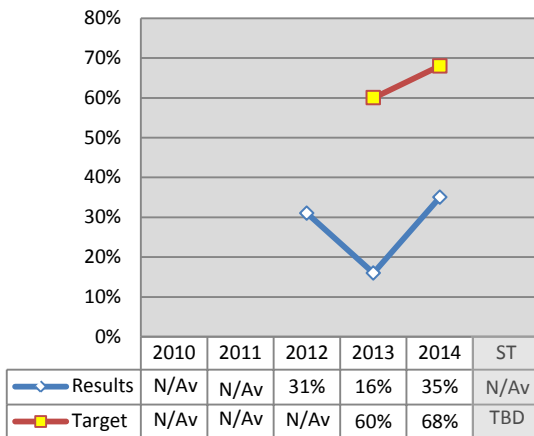
Benefits

Measure

Percent of IDES participants awarded benefits within 30 days of discharge

Performance Trends	Impact on Veterans

Performance Trends

	2010	2011	2012	2013	2014	ST
Results	N/Av	N/Av	31%	16%	35%	N/Av
Target	N/Av	N/Av	N/Av	60%	68%	TBD

Actual data are as of September 2014
ST = Strategic Target

Impact on Veterans

Desired Direction

VA's strategic target of awarding benefits within 30 days of discharge measures the impact of the IDES on assisting Servicemembers in their transition to civilian life. Specifically, this metric measures the success of IDES in reducing the gap between receipt of military pay and receipt of VA compensation.

How VA Leadership Uses Results Data

Leadership utilizes this metric—in conjunction with data as to timeliness at various points in the IDES process—to allocate resources in a manner that supports the program's two primary goals: 1) reducing the benefits gap between receipt of military pay and receipt of VA compensation; and 2) assisting Servicemembers and their families plan for transition to civilian life by providing them a timely, accurate estimate of expected VA benefits.
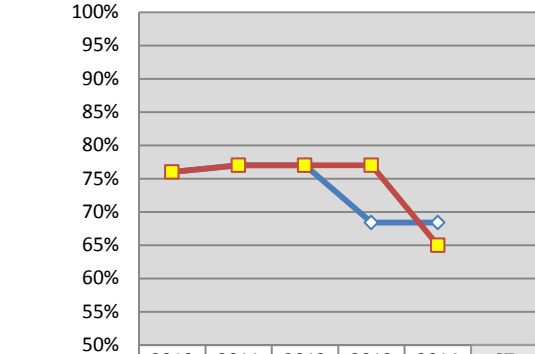
Results

VA did not achieve this strategic goal in 2014. However, significant improvements have been made, and VA improved the percent of IDES participants receiving benefits within 30 days of separation from 16 percent in 2013 to 35 percent in 2014, greater than a 100 percent improvement over 2013. In order to maintain and improve upon the progress made in 2014, VA has taken the following actions:

- In March 2014, VBA implemented its paperless IDES processing initiative, wherein the benefits notification IDES stage is completed in a paperless environment.
- In June 2014, VBA implemented process improvements to reduce rework and improve efficiency at its IDES Disability Rating Activity Sites.

Benefits

Measure
Rehabilitation rate (general)

Performance Trends

	2010	2011	2012	2013	2014	ST
Results	76%	77%	77%	68%	68%	N/Av
Target	76%	77%	77%	77%	65%	TBD

Actual data are as of September 2014
ST = Strategic Target

Results

VA met its FY 2014 Rehabilitation Rate target. Over FY 2014, the Vocational Rehabilitation and Employment Program (VR&E) has piloted new performance measures at four Regional Offices. The new measures provide a clear and accurate depiction of performance, and Veteran participation and success in the program. During this pilot, VR&E has focused on working on Veteran's cases that are actively engaged in the program and process and has discontinued the cases that are not active, in turn, bringing the rehabilitation rate down. The measure "Rehabilitation Rates" looks at the number of Veterans who discontinue their participation in VR&E Services, compared to the number of Veterans who successfully completed their program. Therefore, despite the fact that overall Rehabilitations increased by 4.5 percent in FY 2013 and by 2.7 percent in FY 2014, the Rehabilitation Rate continues to decline.

Impact on Veterans

Desired Direction

A "Rehabilitated" Veteran is one who successfully obtained and maintained suitable employment or achieved independence in daily living through the completion of the Rehabilitation Program Plan.

How VA Leadership Uses Results Data

VA leadership uses the Rehabilitation Rate to assess the performance of Vocational Rehabilitation Counselors, Counseling Psychologists, Employment Coordinators, Vocational Rehabilitation and Employment Officers and Regional Office Directors; as well as, the overall effectiveness of the program and services provided.

To improve performance in this area, VBA leadership has identified several areas of emphasis:

- Providing services to enable Veterans to continue to complete the program and become suitably employed.
- Continue to support career fairs geared toward today's Veteran to provide exposure to employers seeking to hire Veterans.

Benefits

Measure
Employment rehabilitation rate

Performance Trends	Impact on Veterans

	2010	2011	2012	2013	2014	ST
Results	73%	74%	73%	65%	68%	N/Av
Target	75%	75%	75%	77%	62%	TBD

Actual data are as of September 2014
ST = Strategic Target

Results

VA did not meet its 2014 Employment Rehabilitation Rate target, which is a subset of the Rehabilitation Rate. Despite the fact that overall Employment Rehabilitations increased by 7.1 percent in FY 2013 and by 5.1 percent in FY 2014, the Employment Rehabilitation Rate continues to decline. This continued decline is caused by the increased number of Veterans who discontinue their participation in VR&E services, compared to the number of Veterans who successfully completed their program. The increased number of discontinuances negatively impacts the Employment Rehabilitation Rate, and is driven by the need to close cases where the Veteran has ceased participation.

Desired Direction

The "Employment Rehabilitation Rate" is a subset of the Rehabilitation Rate that measures VR&E participants who successfully found and maintained suitable employment.

How VA Leadership Uses Results Data

VA leadership uses the Rehabilitation Rate (which includes the Employment Rehabilitation Rate) to assess the performance of Vocational Rehabilitation Counselors, Counseling Psychologists, Employment Coordinators , VR&E Officers and Regional Office Directors; as well as, the overall effectiveness of the program and services provided. To improve performance in this area, VA leadership has identified several areas of emphasis:

- Providing services to enable Veterans to continue to complete the program and become suitably employed.
- Continue to support career fairs geared toward today's Veteran to provide exposure to employers seeking to hire Veterans.

Benefits

Measure
Default resolution rate

Performance Trends

	2010	2011	2012	2013	2014	ST
Results	76%	83%	81%	79%	80%	N/Av
Target	71%	73%	81%	82%	81%	TBD

Actual data are as of September 2014
ST = Strategic Target
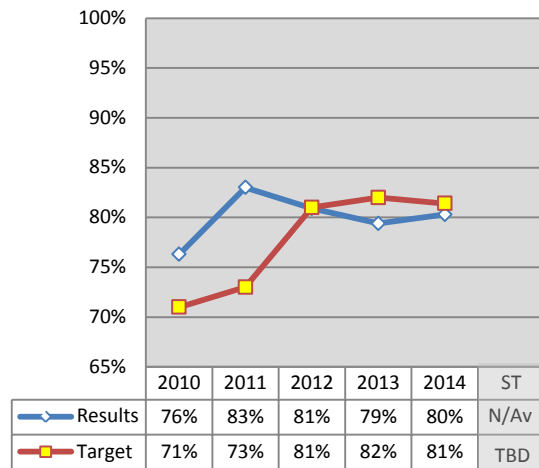
Impact on Veterans

Desired Direction

In FY 2014, 95 percent of VA's loan portfolio was current. The default resolution rate of 81 percent means that of the Veterans who defaulted on their VA-guaranteed loans, VA and loan servicers were able to assist 81 percent in either retaining ownership of their homes or in lessening the impact of foreclosure by tendering a deed in lieu of foreclosure, or arranging a private sale with a VA claim payment to help close the sale.

How VA Leadership Uses Results Data

VA uses the data to measure the effectiveness of joint servicing efforts of primary servicers and VA staff to assist Veterans in avoiding foreclosure through default resolution.

Results

VA nearly reached its target for assisting Veterans in avoiding foreclosure through default resolution in FY 2014. Economic conditions have continued to rebound and have positively impacted borrowers' ability to adhere to the terms of their mortgage agreement. Subsequently, continued use of modification programs by delinquent borrowers has also supported VA's goal of homeownership and retention for Veterans and Servicemembers. Specifically, VA has coordinated with and notified private sector stakeholders that other home retention programs can be used in conjunction with VA foreclosure avoidance options.

Benefits

Measure
Housing Program Review Accuracy Rate

Performance Trends

	2010	2011	2012	2013	2014	ST
Results	N/Av	N/Av	98%	99%	99%	N/Av
Target	N/Av	N/Av	98%	98%	99%	TBD

Actual data are as of October 2014
ST = Strategic Target

Desired Direction

↑

Performance Trends

The Program review accuracy rate is an assessment of the various oversight responsibilities of the Home Loan program. This measure reflects overall compliance of the Regional Loan Centers in implementing the program laws and requirements within the Loan Production, Specially Adapted Housing, Construction and Valuation and Loan Administration aspects of the VA Home Loan program. These four areas make up the purpose and mission of the Home Loan program and directly impacts service to Veteran borrowers.

Results

In 2014, the Home Loan program achieved the target set for the fiscal year of 99.0 percent. This end of fiscal year result was 99.2 percent. Loan Guaranty has continued to rely on sound underwriting, credit standards, and oversight of all key stakeholders with a role in delivering the housing benefit. Loan Guaranty processes and systems have built in controls that aid in the proper implementation and oversight of the programs benefit to Veterans.

Quality review staff members verify the data monthly.

How VA Leadership User Results Data

VA management uses this performance results to identify areas of performance gaps and opportunities to enhance the delivery and benefit experience for Veterans.

In 2014, the Loan Statistical Accuracy Review process performed underwent an audit process revamp. Through this process, accuracy questions were reviewed against existing and updated Home Loan policy. Program compliance elements were reviewed to ensure that key requirements and compliance is being followed by Regional Loan Centers that deliver the Home Loan benefit.
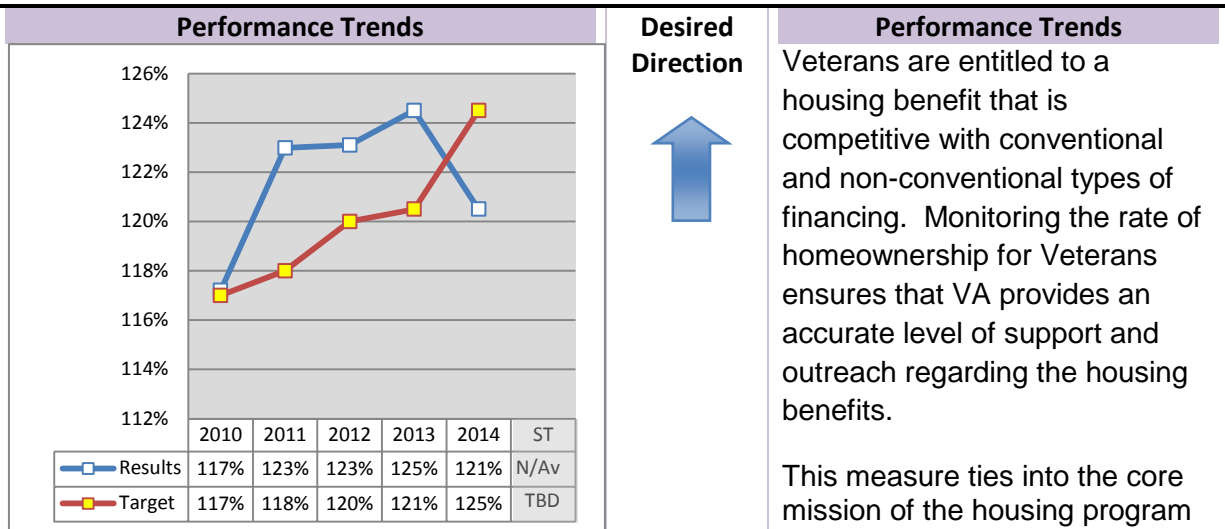
Benefits

Measure
Rate of Homeownership for Veterans (compared to the general population)

Performance Trends

	2010	2011	2012	2013	2014	ST
Results	117%	123%	123%	125%	121%	N/Av
Target	117%	118%	120%	121%	125%	TBD

Actual data are as of October 2014
ST = Strategic Target

Desired Direction

Performance Trends

Veterans are entitled to a housing benefit that is competitive with conventional and non-conventional types of financing. Monitoring the rate of homeownership for Veterans ensures that VA provides an accurate level of support and outreach regarding the housing benefits.

This measure ties into the core mission of the housing program to help Veterans obtain homes and expand their economic opportunities.

Results

In 2014, the housing program exceeded the target rate (120.7 percent) for Veteran homeownership compared to the general population. VA has actively increase outreach efforts to socialize the VA Home Loan program among mortgage lenders, realtors, and Veterans. Additionally, this data has aided the housing program in identifying, assessing and working to improve areas of opportunity to create awareness about the housing benefit.

How VA Leadership Uses Results Data

VA analyzes census and homeownership survey data to determine areas that VBA can improve homeownership opportunities for Veterans and Servicemembers. The data is used to assess if targeted outreach approaches have resulted in an increase use or increased awareness of the housing program benefits.

Additionally, management uses the data collected to make decisions about the strategic direction of the VA housing program and the best approach to ensure Veteran access to their home loan benefits.

Benefits

Measure
Specially Adapted Housing grantees who believe adaptations have helped them live independently

Performance Trends

	2010	2011	2012	2013	2014	ST
Results	N/Av	N/Av	135	184	N/Av	N/Av
Target	N/Av	N/Av	N/Av	N/Av	Baseline	TBD

Annual data as of September 2014
ST = Strategic Target

Note: This measure is new (or being rebaselined) in FY 2014 and

therefore there is limited data available.

Desired Direction

Performance Trends

VBA's goal is to ensure that the every Veteran has access to their benefits. This measure evaluates Veterans satisfaction with the Specially Adapted Housing program.

This measure provides VBA management with insight into the implementation and oversight of the VA Home loan program.

Results

2014 was a baseline year to determine both annual and strategic targets. The survey instrument has been designed to be comparable, but due to the dynamic nature of the survey tool, results are not comparable year of year. Validation of the measure is ongoing.

How VA Leadership Uses Results Data

The data from this metric is used to improve the delivery of benefits and services to Veterans. SAH eligible Veterans are some of the most severely injured. By evaluating overall SAH program satisfactions, VBA can identify gaps within the program, areas for additional policy development and remain current on the unique needs of severely disabled Veterans.
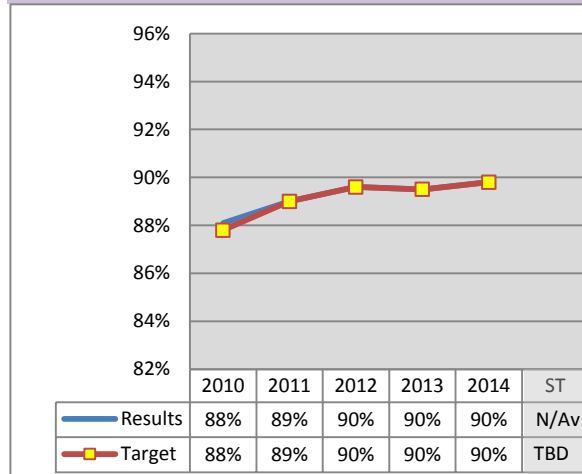
Burial Services

Measure
PERCENT OF VETERANS SERVED BY A BURIAL OPTION WITHIN A REASONABLE DISTANCE (75 MILES) OF THEIR RESIDENCE

Performance Trends	Impact on Veterans

Performance Trends

	2010	2011	2012	2013	2014	ST
Results	88%	89%	90%	90%	90%	N/Av
Target	88%	89%	90%	90%	90%	TBD

Actual data are as of September 2014
ST = Strategic Target

Impact on Veterans

Desired Direction

By the end of 2014, nearly 19 million Veterans and their families had reasonable access to a burial option.

One of VA's primary objectives is to ensure that the burial needs of Veterans and eligible family members are met. Having reasonable access to this benefit is integral to realizing this objective.

Results

VA met its target for serving Veterans with a burial option within a reasonable distance of their residence in 2014. A new State Veterans cemetery in the eastern Louisiana area opened as planned in June 2014, providing a burial option to nearly 35,000 previously unserved Veterans. VA's second tribal Veterans cemetery also opened in Kyle, South Dakota. Yellowstone National Cemetery, originally expected to open in 2015, began operations in 2014 as the first of eight VA National Veterans Burial Grounds (NVBG) specifically designed to serve Veterans in rural areas, serving nearly 18,000 Veterans with a VA cemetery burial option. VA plans to establish seven more NVBGs as part of its Rural Veterans Initiative by the end of 2017.

How VA Leadership Uses Results Data

VA analyzes census data to determine areas of the country that have the greatest number of Veterans not currently served by a burial option in a national or state Veterans cemetery. VA also analyzes census data to identify rural areas of the country that are not currently served by a burial option.

This information is used in planning for new national cemeteries, for gravesite expansion projects to extend the service life of existing national cemeteries, and for potential sites for establishing National Veterans Burial Grounds. This information is also used for prioritizing requests for State and Tribal Veterans cemetery grants.
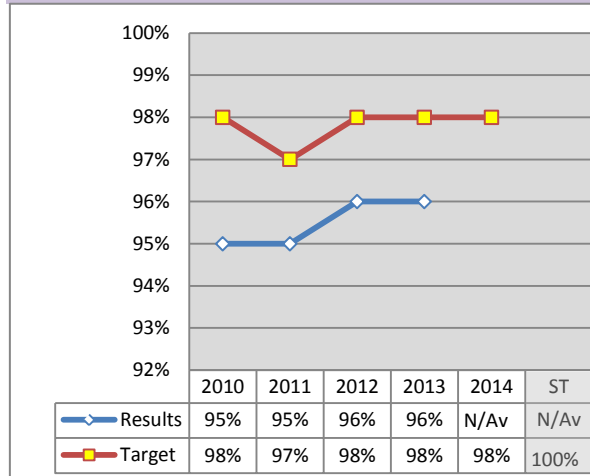
Burial Services

Measure

PERCENT OF RESPONDENTS WHO RATE THE QUALITY OF SERVICE PROVIDED BY THE NATIONAL CEMETERIES AS EXCELLENT

Performance Trends

	2010	2011	2012	2013	2014	ST
Results	95%	95%	96%	96%	N/Av	N/Av
Target	98%	97%	98%	98%	98%	100%

ST = Strategic Target

Note: FY 2014 results available upon completion of annual customer satisfaction surveys.

How VA Verifies Results Data for Accuracy

NCA anticipates that respondents to NCA's annual Survey of Satisfaction with National Cemeteries will again report very high levels of satisfaction with the quality of service that they received from national cemeteries. NCA will continue to review survey data and client comments at national cemeteries to identify operational and policy changes that will further improve the level of service provided at national cemeteries.

Impact on Veterans

Desired Direction

Performance targets for cemetery service goals are consistent with the high expectations of the families of individuals who are interred and other visitors to the cemetery.

High-quality, courteous, and responsive service to Veterans and their families is reflected in VA's historic satisfaction ratings of 95 percent or better.

How VA Leadership Uses Results Data

NCA's annual Survey of Satisfaction with National Cemeteries is the source of data for this key measure. The survey collects data from family members and funeral directors who have recently received services from a national cemetery. These data are shared with NCA managers at Central Office, Memorial Service Networks (MSN), and national cemeteries who use the data to improve the quality of service provided at national cemeteries.

Burial Services

| | **Performance Trends** | | **Impact on Veterans** |

Performance Trends

	2010	2011	2012	2013	2014	ST
Results	98%	98%	99%	99%	N/Av	N/Av
Target	98%	98%	99%	99%	99%	100%

ST = Strategic Target

Note: FY 2014 results available upon completion of annual customer satisfaction surveys.

Impact on Veterans

Desired Direction

Performance targets for cemetery service goals are consistent with the high expectations of the families of individuals who are interred as well as other visitors.

High-quality, courteous, and responsive service to Veterans and their families is reflected in VA's historic satisfaction ratings of 98 percent or better.

Results

NCA anticipates that it will again receive very high levels of satisfaction with the service provided at national cemeteries. NCA's strategic goal is for at least 99 percent of respondents to rate the level of service provided by national cemeteries as excellent. To achieve this outcome, NCA continues to review survey data and client comments at national cemeteries to identify operational and policy changes that will further improve the appearance and maintenance of national cemeteries as national shrines.
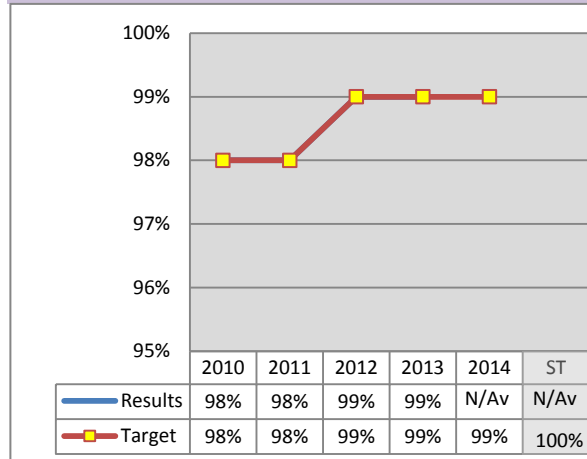
How VA Leadership Uses Results Data

NCA's annual Survey of Satisfaction with National Cemeteries is the source of data for this key measure. The survey collects data from family members and funeral directors who have recently received services from a national cemetery. These data are shared with NCA managers at Central Office, MSNs, and national cemeteries who use the data to improve the quality of service provided at national cemeteries.
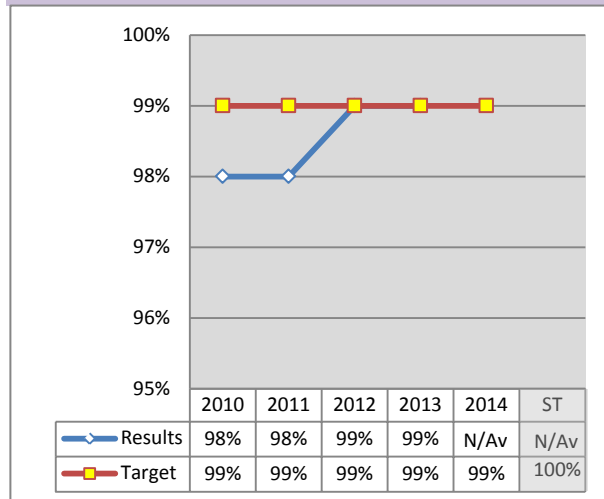
Burial Services

Percent of respondents who would recommend the national cemetery to Veterans families during their time of need

Performance Trends

	2010	2011	2012	2013	2014	ST
Results	98%	98%	99%	99%	N/Av	N/Av
Target	99%	99%	99%	99%	99%	100%

ST = Strategic Target

Note: FY 2014 results available upon completion of annual customer satisfaction surveys.

Impact on Veterans

Desired Direction

Performance targets for cemetery service goals are consistent with the high expectations of the families of individuals who are interred as well as other visitors.

VA's historic satisfaction ratings of 98 percent or better reflect high-quality, courteous, and responsive service to Veterans and their families as well as high levels of performance in the operation and maintenance of VA's national shrines.

How VA Leadership Uses Results Data

NCA's annual Survey of Satisfaction with National Cemeteries is the source of data for this key measure. The survey collects data from family members and funeral directors who have recently received services from a national cemetery. These data are shared with NCA managers at Central Office, MSNs, and national cemeteries who use the data to improve the quality of service provided at national cemeteries.

Results

NCA anticipates that family members and funeral home directors who interred a Veteran in a VA national cemetery will again indicate a very high level of trust with national cemeteries. NCA's strategic goal is for at least 99 percent of respondents to agree that they would recommend a national cemetery to other Veteran families in their time of need. To achieve this outcome, NCA continues to review survey data and client comments at national cemeteries to identify operational and policy changes that will further increase the willingness of family members and funeral home directors to recommend national cemeteries to Veteran families.
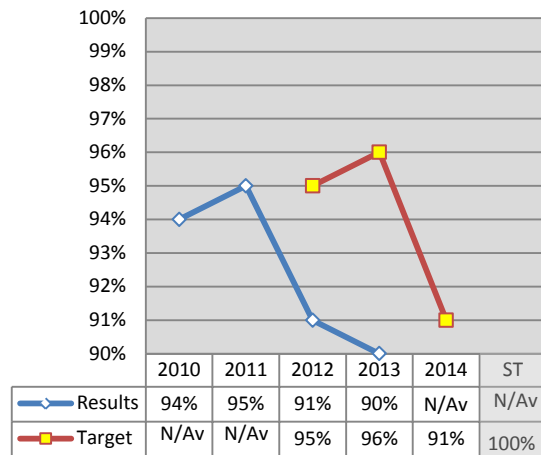
Burial Services

Measure

Percent of respondents who agree or strongly agree that the quality of the headstone or marker received from VA was excellent

Performance Trends	Impact on Veterans

Performance Trends

	2010	2011	2012	2013	2014	ST
Results	94%	95%	91%	90%	N/Av	N/Av
Target	N/Av	N/Av	95%	96%	91%	100%

ST = Strategic Target

Note: FY 2014 results available upon completion of annual customer satisfaction surveys.

Impact on Veterans

Desired Direction

Performance targets are consistent with the high expectations of the families of Veterans interred in private cemeteries who receive a VA headstone or marker.

VA's historic satisfaction ratings of 90 percent or better indicates that VA is honoring Veterans with high-quality memorial products that commemorate each Veteran's service and sacrifice to our Nation.

Results

NCA anticipates receiving high levels of satisfaction with the quality of headstones and markers furnished for the graves of Veterans interred in private cemeteries. NCA's strategic goal is for at least 99 percent of respondents to rate the quality of the headstone or marker received from VA as excellent. To achieve this outcome, NCA continues to review survey data and client comments on the annual Memorial Programs Survey to identify operational and policy changes that will further improve the quality of headstones and markers furnished for Veterans in private cemeteries.

How VA Leadership Uses Results Data

NCA's annual Memorial Products Survey is the source of data for this key measure. The survey collects data from family members and funeral directors who have recently ordered a headstone or marker from VA to mark the grave of a Veteran interred in a private cemetery. These data are shared with NCA managers at Central Office who use the data to improve the quality of headstones and markers furnished for Veterans in private cemeteries.
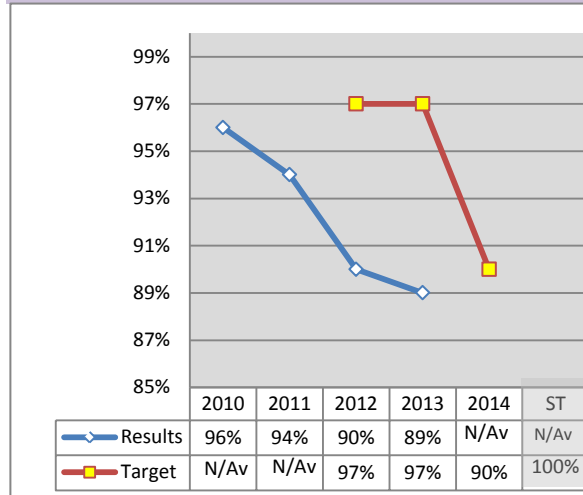
Burial Services

Percent of respondents who agree or strongly agree that the quality of the Presidential Memorial Certificate received from VA was excellent

Performance Trends		Impact on Veterans

Performance Trends

	2010	2011	2012	2013	2014	ST
Results	96%	94%	90%	89%	N/Av	N/Av
Target	N/Av	N/Av	97%	97%	90%	100%

ST = Strategic Target

Note: FY 2014 results available upon completion of annual customer satisfaction surveys.

Results

NCA anticipates receiving high levels of satisfaction with the quality of Presidential Memorial Certificates (PMCs) received from VA. NCA's strategic goal is for at least 99 percent of respondents to rate the quality of PMCs received from VA as excellent. To achieve this outcome, NCA continues to review survey data and client comments on the annual Memorial Programs Survey to identify operational and policy changes that will further improve the quality of PMCs received from VA.

Impact on Veterans

Desired Direction

Performance targets are consistent with the high expectations of the families of Veterans who receive a Presidential Memorial Certificate from VA.

VA's historic satisfaction rating of 89 percent or better indicates that VA is honoring Veterans with high-quality memorial products that commemorate each Veteran's service and sacrifice to our Nation.

How VA Leadership Uses Results Data

NCA's annual Memorial Products Survey is the source of data for this measure. The survey collects data from family members who have recently received a PMC from VA. These data are shared with NCA managers at Central Office who use the data to improve the quality of PMCs.
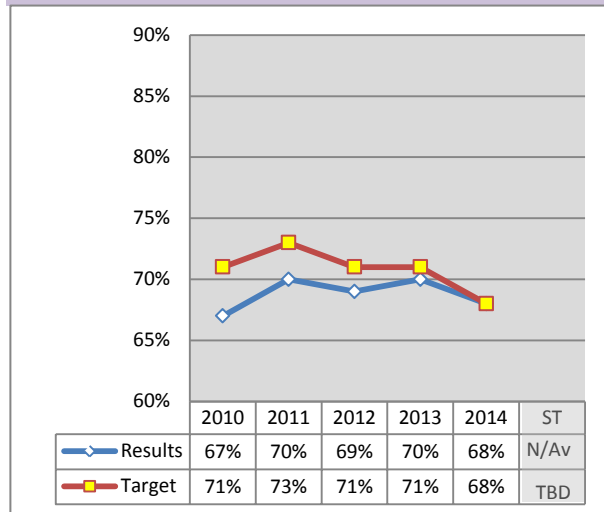
Burial Services

Measure

Percent of headstones and/or markers in national cemeteries that are at the proper height and alignment

Performance Trends

	2010	2011	2012	2013	2014	ST
Results	67%	70%	69%	70%	68%	N/Av
Target	71%	73%	71%	71%	68%	TBD

Actual data are as of October 2014

ST = Strategic Target

Results

NCA maintained a level of performance on this measure that was consistent with that of previous years despite adding more than 80,000 newly occupied graves in national cemeteries. To improve performance, NCA is developing new technologies, including a cement "sleeve" that supports the base of upright headstones to ensure uniform height and alignment of all headstones in a burial row.

Impact on Veterans

Desired Direction

The appearance of headstones and markers is of paramount importance to the appearance of national cemeteries as national shrines. The rows of pristine, white headstones that are set at the proper height and correct alignment provide the vista that is the hallmark of many VA national cemeteries.

How VA Leadership Uses Results Data

NCA's annual Gravesite Assessment Review is the source of data for this measure. The height and alignment of headstones and markers are assessed according to a standardized methodology to ensure compliance within well-defined criteria. The results of these assessments are shared with NCA Central Office, Memorial Service Network, and cemetery managers. NCA leadership uses the data to determine which cemeteries are most in need of projects to raise, re-align, and reset headstones and markers to ensure that national cemeteries are maintained as national shrines.
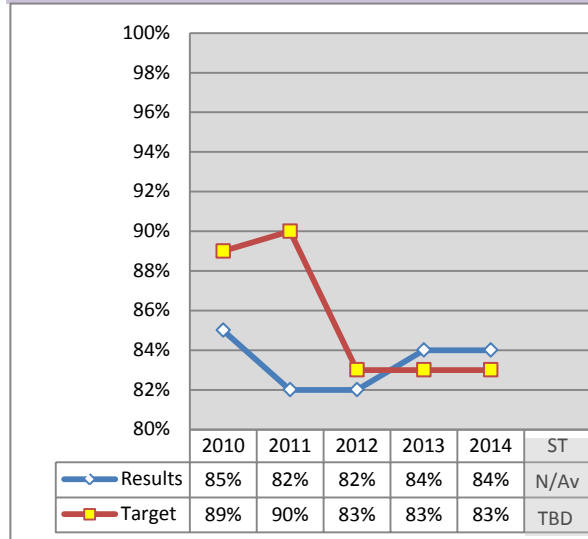
Burial Services

Measure

Percent of headstones, markers, and niche covers that are clean and free of debris or objectionable accumulations

Performance Trends

	2010	2011	2012	2013	2014	ST
Results	85%	82%	82%	84%	84%	N/Av
Target	89%	90%	83%	83%	83%	TBD

Actual data are as of October 2014

ST = Strategic Target

Results

NCA continued to perform at a high level on this measure despite adding more than 80,000 newly occupied graves in national cemeteries. Weather and other external factors can adversely impact performance in this area from year to year; however, NCA continues to use the results of gravesite assessments to identify the areas where greatest improvement will ensure that headstones, markers, and niche covers are maintained in a clean and dignified manner.

Impact on Veterans

Desired Direction

The appearance of headstones and markers is of paramount importance to the appearance of national cemeteries as national shrines. The rows of pristine, white headstones provide the vista that is the hallmark of many VA national cemeteries.

How VA Leadership Uses Results Data

NCA's annual Gravesite Assessment Review is the source of data for this measure. The cleanliness of headstones and markers are assessed according to a standardized definitions and criteria to ensure compliance and consistency within these well-defined criteria. The results of these assessments are shared with NCA Central Office, Memorial Service Network, and cemetery managers. NCA leadership uses the data to determine which cemeteries are most in need of projects to clean headstones, markers, and niche covers to ensure that national cemeteries are maintained as national shrines.
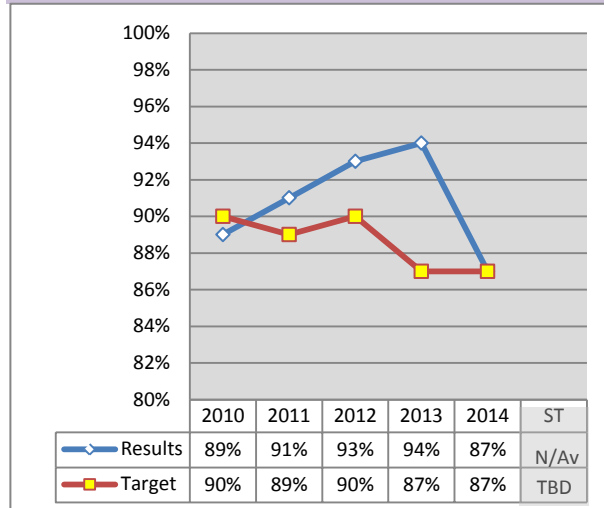
Burial Services

Measure

Percent gravesites that have grades that are level and blend with adjacent grade levels

Performance Trends

	2010	2011	2012	2013	2014	ST
Results	89%	91%	93%	94%	87%	N/Av
Target	90%	89%	90%	87%	87%	TBD

Actual data are as of October 2014

ST = Strategic Target

Impact on Veterans

Desired Direction

The appearance of gravesites in national cemeteries is both an important aspect of maintaining national cemeteries as national shrines and is an important safety feature for the more than 8 million annual visitors at VA national cemeteries.

How VA Leadership Uses Results Data

NCA's annual Gravesite Assessment Review is the source of data for this measure. The grade levels of gravesites are assessed according to a standardized definitions and criteria to ensure compliance within these well-defined criteria. The results of these assessments are shared with NCA Central Office, Memorial Service Network, and cemetery managers. NCA leadership uses the data to determine which cemeteries are most in need of projects to repair sunken graves to ensure that national cemeteries are maintained as national shrines.

Results

NCA continued to perform at a high level again on this measure in FY 2014. Efforts to use gravesite assessment data to identify and address sunken graves in cemeteries with the greatest need have helped to maintain the appearance of national cemeteries as national shrines and to ensure the safety of family members, friends, and other visitors at national cemeteries.
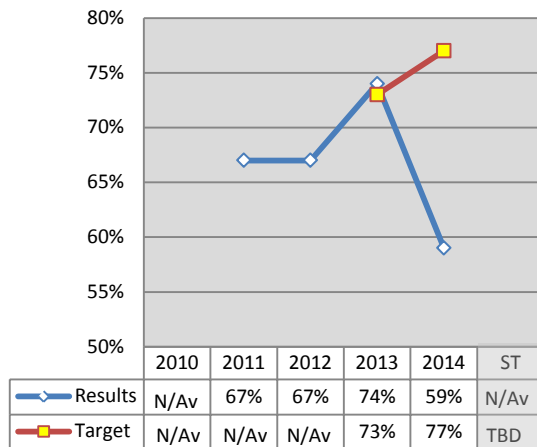
Other Services

Percent of visitors to VA's website that indicated that they are satisfied/highly satisfied with information presented

Performance Trends	Impact on Veterans

Performance Trends

	2010	2011	2012	2013	2014	ST
Results	N/Av	67%	67%	74%	59%	N/Av
Target	N/Av	N/Av	N/Av	73%	77%	TBD

Actual data are as of September 2014
ST = Strategic Target

Impact on Veterans

Desired Direction ↑

This metric indicates how the outreach efforts of VA assist the Department in determining the Veteran population's ability to help themselves by using the available resource that is provided by the website. By measuring users' satisfaction with ease of access to information presented on the website, VA can determine how to more effectively communicate with Veterans. This measure indicates if information is presented in a user-friendly, Veteran-centered way. If data shows dissatisfaction, adjustments can be made.

Results

During FY 2014, the target was not reached because it was determined through analysis that more than 40 percent of the website visitors use mobile technology to access the website. The website was not optimized for mobile technology at the time, which results in a less than ideal browsing experience. To mitigate this issue, a mobile website redesign was initiated and completed in FY 2014.

How VA Leadership Uses Results Data

Information from this metric is used to provide leadership with a snapshot of how Veterans and their families are using the information from VA.gov. The information measured is significant not just because it allows VA to assess the general efficacy of its websites, but also allows web developers and content managers to focus on areas in need of future improvements. The end result is better communication and engagement with VA's online customers.
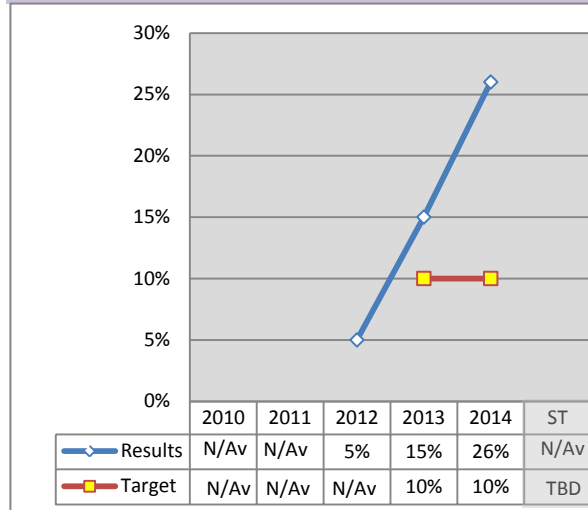
Other Services

Measure
Increase percent of Veterans aware of using benefits, reached through advertising and marketing efforts

Performance Trends

	2010	2011	2012	2013	2014	ST
Results	N/Av	N/Av	5%	15%	26%	N/Av
Target	N/Av	N/Av	N/Av	10%	10%	TBD

Actual data are as of September 2014

ST = Strategic Target

Impact on Veterans

Desired Direction

VA developed a consumer friendly website to educate Veterans regarding their VA benefits, which include online marketing to help connect Veterans to VA eligibility requirements and the application process. The number of calls to the National Call Center for Homeless Veterans remained constant between August 2013 and August 2014 after a 208 percent increase between FY 2011 and FY 2013 -- evidence that homeless outreach efforts are continuing to reach the intended audiences.

Results

VA developed a benefits awareness and education campaign, which was distributed using a two- pronged approach: traditional media (TV and radio) broadcast in 20 targeted communities and digital advertising.

The campaign, which included a website, social media, and video content resulted in: 1) more than 2.7 million people visiting ExploreVA webpages; 2) nearly 650,000 people starting the application process for a service or benefit from VA; and 3) more than 738,000 people signing up to get regular communication from VA on benefits.

The FY 2014 advertising campaign that sought to increase awareness of VA resources for homeless Veterans achieved , 212,975 clicks on Facebook and 1,013,341 YouTube video views. In addition, 1,874 billboards were posted in 59 different cities.

How VA Leadership Uses Results Data

Performance metrics provide insights into messages and mediums that most effectively reach Veterans and other stakeholders. VA leaders use homeless outreach data to refine outreach strategies and messages, ensuring that homeless and at-risk Veterans are constantly aware that help is available.

Within the ExploreVA campaign, message delivery methods and medium were tested on a continual basis over the fiscal year. Sophisticated monthly data analysis and continual refinement and adjustment of advertising methods significantly lowered cost per conversion (cost per Veteran applying for benefits) from an initial $40 to $8, resulting in a huge increase in efficiency and savings to the government.

Recommendations resulting from this testing are reported monthly and serve to inform leadership on most effective methods of digital outreach for future tactical and strategic outreach planning.

Other Services

Measure
Percentage of VA employees who are Veterans

Performance Trends	Impact on Veterans
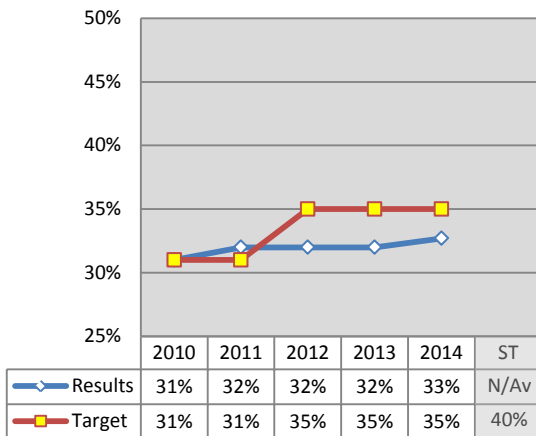
Performance Trends

	2010	2011	2012	2013	2014	ST
Results	31%	32%	32%	32%	33%	N/Av
Target	31%	31%	35%	35%	35%	40%

Actual data are as of September 2014
ST = Strategic Target

Impact on Veterans

Desired Direction ⬆

Identifies VA's progress toward having a diverse workforce reflective of its customers and committed to ensuring the smooth transition of severely injured and other service-connected disabled Servicemembers to the civilian workforce.

This measure assesses the degree to which VA's workforce reflects customers we serve, which is considered to enhance VA's ability to execute its mission.

How VA Leadership Uses Results Data

The measure is used by VA leadership to inform new strategies and initiatives that support increasing the percentage of VA employees who are Veterans in order to ensure VA's workforce is reflective of its customers and to adhere to the intent of Executive Order 13518, *Employment of Veterans in the Federal Government.*

Results

Despite great emphasis and increased enterprise focus, the "stretch" target was not reached for FY 2014. VA had several challenges, including the supply of Veterans qualified for medical professional and practitioner positions defined in Title 38 USC [Veterans' Benefits].   Achieving this target going forward may be even more difficult as implementing the Veterans Choice Act leads to an increased number of Title 38 positions. This target also has dependencies on hiring decisions throughout VA.

Office of the Inspector General

VA Office of the Inspector General (VAOIG)

	2010	2011	2012	2013	2014
Number of reports (audit, inspection, evaluation, contract review, and CAP reports) issued that identify opportunities for improvement and provide recommendations for corrective action	263	301	299	349	280
Number of arrests, indictments, convictions, criminal complaints, pretrial diversions, and administrative sanctions	1,929	1,939	2,683	2,491	2,000
Monetary benefits (dollars in millions) from audits, investigations, contract reviews, inspections, and other evaluations	$1,914	$7,122	$3,477	$3,589	$1,900
Return on investment (monetary benefits divided by cost of operations in dollars)	20 to 1	76 to 1	36 to 1	36 to 1	18 to 1
Percentage of:					
Prosecutions successfully completed	97.0%	99.0%	94.0%	94.0%	94.0%
Recommendations implemented within 1 year to improve efficiencies in operations through legislative, regulatory, policy, practices, and procedural changes in VA	86.0%	87.0%	87.0%	81.0%	90.0%
Recommended recoveries achieved from post-award contract reviews	N/Av	100.0%	100.0%	100.0%	96.0%
OIG Customer satisfaction survey scores (based on a scale of 1 - 5, where 5 is high):					
Investigations	4.9	4.9	4.9	5.0	4.5
Audits and Evaluations	4.0	4.4	4.0	3.9	4.0
Healthcare Inspections	4.6	4.6	4.4	4.5	4.3
Contract Review	4.7	4.8	4.7	4.7	4.2

OIG Note—*Beginning in 2009, the cost of operations for the Office of Healthcare Inspections, whose oversight mission results in improving the health care provided to Veterans rather than saving dollars, is not included in the return on investment calculation (see OIG's Semiannual Report to Congress, October 1, 2013–March 31, 2014, page 3, http://www.va.gov/oig/publications/semiannual-reports.asp)*

Assessment of Data Quality

With the patient access crisis in 2014, VA's values have come into question. We are dedicated to regaining Veteran' and stakeholder trust, starting with our primary stakeholder and customer – the Veterans themselves. We see this mission of regaining Veteran/stakeholder trust as twofold – both in the care and benefits we provide, as well as trust in our performance reporting. Therefore, we are re-evaluating all of the measures in our portfolio to ensure that these measures can be reported in an open, transparent, and reliable way. Subsequent to the emergence of the access crisis, VA has undertaken significant efforts across the Department to improve the quality of our data. First among these efforts was ensuring that every employee has received training on whistleblower rights and protections while simultaneously establishing and encouraging an atmosphere in which employees feel empowered to raise concerns.

The three VA Administrations – VHA, VBA, and NCA– have unique missions and provide a variety of services to Veterans, however, they are equally committed to providing and using quality data to guide their activities and inform their decisions. What follows are descriptions of each Administration's approach to creating and using sound data.

VHA

In 2014, VA maintained the largest integrated health care system in America and continued to implement many new innovative practices to improve Veterans' access to health care, such as Telehealth and Secure Messaging, and expanding its reach to nearly 6.5 million Veteran users of our services.

Over the past several years, much of VA's success was the result of our conscious adoption of a disciplined approach to clinical performance measurement and the use of feedback to managers and staff to motivate and guide improvement. During the course of FY 2014, VA senior leadership learned that within some of our Veterans Health Administration facilities, VA had a systemic, totally unacceptable lack of integrity. That breach of trust—which involved the tracking of patient wait times for appointments—was irresponsible, indefensible, and unacceptable to the Department.

Upon learning of allegations of staff manipulating Veteran "desired dates" for clinic appointments so that calculated wait times would fall within a 14 day window, VA initiated a nationwide audit of 258 separate points of service, with in-person interviews of over 2100 scheduling staff. This audit identified: 1) significant confusion regarding scheduling policies and practices across our system; 2) widespread acknowledgement that the 14 day standard for appointments was inflexible and unrealistic; 3) inadequate staffing of providers and clerical support at the very sites that were experiencing the greatest surge in patient demand; and 4) pervasive frustration with rigid and obsolete scheduling software. Additionally, VA obtained and analyzed Veteran survey data that

indicated that a substantial portion of Veterans felt their access needs were not being adequately met, even though they professed confidence in the quality of our services.

In response to the findings of the national audit, VHA initiated several actions that will be continued through FY 2015 and beyond. These include: 1) suspending the use of the 14 day wait time standard in executive and manager performance plans; 2) switching to the use of Veteran survey data to understand and measure how access to care is perceived by the Veteran; 3) developing and implementing automated integrity checks for the wait times data that are reported to the public; and 4) launching a comprehensive initiative to accelerate care, including the hiring of additional clinical and patient support staff, and expanding purchased care in those markets where internal provider capacity could not meet the needs of Veterans. Existing authorities to obtain services from non-VA providers were significantly enhanced by VACAA, which VA is implementing. Finally, VA has already made short-term enhancements to its existing scheduling software, and launched a major effort to procure a 21st Century scheduling product to meet the needs of Veterans for decades to come.

VHA is resolutely committed to reinvigorating its entire Performance Management Program, starting with the APP ultimately reported on in this document, and progressing through performance plans for its executives and managers.   It is restructuring its process of measure governance, and has brought in external experts to help design the process whereby strategic priorities are translated into strategic, tactical, and transactional measures that are realistic, achievable, and have the full buy-in of managers and staff.

VA's intent in these actions is to foster an environment in which all VA employees: 1) feel engaged with the measures that are used to monitor and improve performance; 2) understand the primacy of our core values; and 3) feel comfortable in raising concerns, regardless of their position in the organization. As this is a large scale overhaul of VA's entire program planning, budgeting, performance measurement, and evaluation cycle, VHA anticipates the new system to be fully implemented in FY 2016, but the first phase of this effort will be reflected in revised indicators for the FY 2015 APP.

VBA maintains a national QA program independent of the field stations responsible for processing claims and delivering benefits. The following information about our programs, including compensation, pension, fiduciary, education, vocational rehabilitation and employment, housing, and insurance is provided in accordance with Title 38, Section 7734.

Cases Reviewed and Employees Assigned by Program		
	Cases Reviewed	Employees Assigned
Compensation (STAR Accuracy Reviews)	27,665	25
Pension (STAR Accuracy Reviews)	988	2
Fiduciary	1,355	4
Education	2,398	4
Vocational Rehabilitation and Employment	9,830	10
Loan Guaranty (Housing)	TBD	15
Insurance	11,040	4

The QA program is administered using a multifaceted approach based on four tiers of national review focusing on: program review, program operations, special focus reviews and rating consistency.

Overview of Quality Assurance Program – Compensation Service and Pension and Fiduciary (P&F) Service
Program Review staff members conduct monthly Systematic Technical Accuracy Reviews (STAR) and other quality reviews to assess and measure national accuracy associated with compensation and pension claims. These reviews are intended to monitor the level of service provided during all phases of the claims process, and results are used to identify areas warranting further oversight and facilitate station training needs.

The second tier consists of Regional Office compliance and oversight. Program Operations staff members monitor station operations, conduct site visits, identify best practices to assist stations in achieving optimal performance, and ensure consistency in application of policies and procedures nationwide.

The third tier of the QA program consists of special focus reviews. QA staff members complete reviews to validate potential trends identified during STAR reviews. These reviews are conducted for a specified purpose and can be either one-time or recurring in nature.

The fourth tier of the QA program focuses on rating consistency. Reviews are conducted on identified statistical outliers to determine root causes of inconsistency.

Summary of Findings and Trends – Compensation Service and Pension and Fiduciary (P&F) Service

STAR accuracy reports are based on the month a case was completed, not when reviewed. Cases are submitted for review no later than the end of the month following the completion of the claim. Reviews of rating-related decisions and authorization-related actions have a specific focus:

- The benefit entitlement (BE) review ensures all issues were addressed, duty to assist was provided and all relevant evidence was collected, and the resulting decision was correct, including effective dates and payment rates. Accuracy performance measures are calculated based on the results of the BE review.

- The decision documentation/notification review ensures adequate and correct decision documentation and proper decision notification.

Each month, the Program Review staff requests the following cases for quality review:

- 21 rating cases from 56 regional offices, and 3 Pension Management Centers ;
- 21 authorization cases from 56 regional offices and 3 Pension Management Centers;
- 21 rating cases processed by the Appeals Management Center ;
- 10 rating cases processed under the IDES program at Providence and Seattle.

To assure accuracy of a STAR finding, a second level review of all cited errors is conducted by select members of the QA staff. Error trend analysis for each station is completed on a quarterly basis. Each regional office, Pension Management Center, and fiduciary hub is required to provide a detailed narrative response that outlines all corrective actions taken for all errors cited. Reliability of the reports is monitored during cyclical management site visits. Area offices continue to provide oversight for regional offices, directing the development and implementation of wellness plans as needs arise. Similar business line STAR programs contain the same aspects: stratified and randomly sampled case reviews for each regional office, site visits to ensure compliance, and ad hoc reviews.

Summary of Findings and Trends – Compensation Service and Pension and Fiduciary Service

Results for compensation and pension claims reviews for the 12-month period ending July 31, 2014, are as follows:

	Compensation Entitlement (Rating) Reviews		Compensation Maintenance (Authorization) Reviews		Pension Management Center Entitlement (Rating) Reviews		Pension Management Center Maintenance (Authorization) Reviews	
	Reviewed	Accuracy	Reviewed	Accuracy	Reviewed	Accuracy	Reviewed	Accuracy
Benefit Entitlement	14,465	90.4 %	13,880	92.6%	678	99.41%	671	99.1%
Notification	14,465	94.7%	13,880	89.5%	671	95.98%	678	97.6%

	Reviewed	Accuracy
Compensation Entitlement (Rating) Issue Based 3-Month Reviews ()May 14-Jul 14)	14,776	95.8%

The majority of errors continue to be in the Benefit Entitlement (BE) category - B2 subcategory, *Development to Obtain Evidence (Does the record show development to obtain all indicated evidence, including a VA Exam (VAE), prior to deciding the claim*? However, for the 12-month cumulative period ending July 2014, BE quality improved to 90 percent compared to 90 percent over the same period in 2013. This category reflected an error rate of 20.5 percent of total BE errors in FY 2013, whereas current data reflects a 23.3 percentage error rate. The A2 (inferred issues) error category showed some improvement from an 11.1 percent error rate in 2013, to a current error rate of 8.7 percent. The D1 (effective dates) error category also showed improvement from a 19 percent error rate in 2013, to a current error rate of 16.9 percent. The B1 (duty to notify) error category showed some decline from a 1.4 percent error rate in 2013, to a current error rate of 4 percent. The remaining categories remained almost at the same level of accuracy during this reporting period.

Since the inception of P&F Service, the quality of pension claims processing has remained steady at approximately 98 percent. The accuracy rate for both pension entitlement and maintenance claims for 2012 and 2013 was 98 percent. Accuracy rate for both pension entitlement and maintenance claims for 2014 increased to 99 percent. Our analysis indicates that pension accuracy will remain above 98 percent for 2015. P&F Service has not experienced any clear trends as they relate to the processing of pension entitlement and maintenance claims. P&F Service uses STAR analysis to identify those areas that need improvement and employs its National Training Curriculum and the STAR narratives to address and correct deficiencies.

The fiduciary QA program transitioned to the Nashville Quality Assurance office in January 2011. In May 2013, VA increased the number of field examination and accounting cases selected for QA review from 66 to 257. VA conducts monthly fiduciary quality reviews on a random sample of the fiduciary workload at each fiduciary hub and the Manila Regional Office. The quality review results are used to increase awareness of policy and procedures and guide the development of training when needed. Common STAR error findings are used for discussion items during the monthly fiduciary program teleconference calls.

Results for fiduciary reviews for the 12-month period ending July 2014 are as follows:

Fiduciary Reviews		
	Reviewed	Accuracy
Entitlement and Protection	3,022	86.07%
Fiduciary Accuracy: 3-Month Reviews	701	82.03%

The fiduciary work review focuses on the appointment of fiduciaries, the content of field examinations, and the accountings by fiduciaries. Most of the errors were found in the area of "protection." "Protection" includes oversight of the fiduciary/beneficiary arrangement, analysis of accounting, adequacy of protective measures for the residual estate, and any measures taken to ensure that VA funds are used for the welfare and needs of the beneficiary. Specifically, the errors are related to the proper development and documentation of the fiduciary designation, welfare and fund usage issues, and fiduciary accountability requirements. For example, errors in the establishment of due dates for field examinations or accountings or incomplete documentation.

P&F Service can attribute some of the decrease in fiduciary quality to the increased sample size implemented with the April 2013 completed cases. Although the increased sample size has resulted in the identification of more errors, and ultimately a decline in national accuracy, the increase has provided a more accurate measurement of quality that will allow for the development of more targeted and specialized training.

Actions Taken to Improve Quality – Compensation Service and P&F Service
Training remains a priority and is conducted using a variety of mediums including monthly national Quality Teleconference Calls, training letters, and computer-assisted training. VBA redesigned its centralized Challenge training program in 2011 to improve employee training and quality. Challenge training focuses on the overall skills and readiness of the workforce, while improving productivity of both new and longer tenured employees. During their first 6 months on the job, the 3,570 new employees who

received Challenge training in 2014 completed 150 percent more claims per day than prior trainees. Accuracy from these new employees is also substantially higher than the national average, at 94 percent versus 89 percent.

Specialized Adjudication Review Course was developed specifically to focus on improving decision accuracy and raising the skill levels of employees who are not meeting production and/or quality standards. Training was delivered in a centralized, instructor-led environment during a three-week session. Students were selected to attend the training by their regional office and attendance was voluntary. In 2014, a total of 1,108 VSRs, 572 RVSRs and 270 instructors attended the four sessions of SPARC.

Supervisory Technical Analysis of Data 101 was developed to provide technical training on data management for new Veterans Service Center supervisors. Training was delivered during centralized, instructor-led sessions and by experienced field supervisors. The session lasted six days. A total of 73 employees and 14 instructors attended the two sessions.

Advanced Coaches Training 201 was designed to improve the first line supervisors' workload and performance management skills, and focused on quality and production. The training also developed and enhanced new skills to supervise in the virtual environment, which is needed for such new tools as the National Work Queue. AC201 was developed for all first-line supervisors (Coaches and Assistant Coaches) who are directly responsible for ensuring VBA achieves its goals of 98 percent quality and no claims pending over 125 days. Students presented action plans to their Service Center Manager upon completion of the training.

VBA established Quality Review Teams (QRT) in all regional offices in May 2012. These teams evaluate individual employee-level accuracy and perform in-process reviews to eliminate errors at the earliest possible stage in the claims process. In April 2013 VBA created its Quality Review Team Challenge to deliver training to newly assigned Rating Quality Review Specialist.

Traditionally, the STAR program has tracked national quality of rating decisions at the claim level, finding a case to be either completely correct or in error, regardless of the number of medical issues claimed. In recent years, claims have become more complex with most involving multiple disabilities claimed, requiring numerous entitlement decisions in each case. Determining the quality of rating decisions based on each issue within the claim provides a more accurate assessment of actual rating quality. Starting in 2013, the Program Review staff began tracking national quality data from both a claim level and an issue-based level for every regional office.

Another tier of the QA program focuses on rating consistency. Review is conducted on identified statistical outliers to determine root causes of inconsistency.

P&F Service continues to conduct instructor led web-based training (IWT) for newly hired field examiners. A web-based self-study course for journey-level field examiners was deployed in March 2014 and 219 field examiners successfully completed the course. Training on error trends specific to each hub will continue, in addition to monthly teleconferences with local quality reviewers to discuss current error trends and answer questions related to quality improvement and training.

In May 2014, P&F Service deployed the Beneficiary Fiduciary Field System (BFFS) nationwide. BFFS includes mandatory fields and pre-populated diary dates that will assist in providing pertinent information regarding field examination reports and reduce the number of errors typically cited by STAR. A future release of BFFS will include the STAR Quality Review database. The database will provide increased data analysis capabilities for accuracy review and improved tracking of error trends.

P&F Service intends to review the accuracy sampling and reporting process for fiduciary completed cases. This review will include an analysis of sampling size according to the number of beneficiaries associated with each fiduciary hub. Also, P&F Service will review processes to calculate margins of error and appropriately weight accuracy estimates based on the revised sampling methodology. Incorporation of both the sampling methodology and reporting database will allow for real-time review of cases to expedite feedback to the fiduciary hubs.

P&F Service will develop centralized training for legal instruments examiners and improve the existing IWT course for field examiners by providing on-site instruction inclusive of practical exercises and system demonstrations. Topic based training material linked directly to the Training management System (TMS) will also be developed.

In January 2014, P&F Service solicited the fiduciary hubs to complete a survey to review for organizational consistency, and assist in the development of effective training products and tools that will aid in improving national quality. A follow-up survey will be disseminated in January 2015.

Summary of Findings and Trends - Education
Education Service reviewed 2,398 cases in 2014. Based on these reviews, payment accuracy remained 98.8 percent, which is the same rate for the same period in 2013. Paying benefits for an incorrect training time was 30 percent of all payment errors. Failure to process a document was 18 percent of all payment errors. Incorrect effective date determinations were 21 percent of all payment errors. Incorrect determinations of the end date of training were 13 percent of payment errors. These four main causes accounted for 82 percent of all payment errors for FY 2014. The remaining errors were from a wide variety of causes, with only a few instances of each.

The increase of payment accuracy in FY 2014 indicates that training and improved automation systems continue to have a positive effect in reducing errors.

Actions Taken to Improve Quality - Education

In addition to performing quarterly quality reviews, an independent review was established to examine improper payments. The 2014 quarterly quality results identified error trends and causes. These then were used as topics for refresher training in RPOs. Annual appraisal and assistance visits to the RPOs are also conducted. In 2014, Education Services continued to update the materials available for standardized training for employees. Additionally, Education Service modified automated claims processing functionality to increase the number of Post-9/11 GI Bill supplemental claims are fully automated which reduces the opportunity for human error.

Summary of Findings and Trends - Vocational Rehabilitation and Employment (VR&E)

VR&E completed QA reviews on 9,175 cases for 2014, including Chapter 36 and Maximum Rehabilitation Gain case reviews. The national QA reviews are conducted over a 12-month period, with a sample of cases from each regional office reviewed every month. Approximately five percent of the workload was reviewed from each regional office.

VR&E Accuracy Targets and Actuals		
Accuracy Elements	Target Score 2014	Actual Score 2014
Accuracy of Entitlement Determinations	96%	99.3%
Accuracy of Fiscal Decisions	92%	85.4%
Maximum Rehabilitation Gains	90%	91.8%
Accuracy of Outcome Decisions	98%	97.8%
Accuracy of Evaluation, Planning, and Rehabilitation Services	85%	82.7%

In addition to review of cases from each regional office, the STAR conducted site visits at 11 regional offices in 2014, and reviewed an additional 783 cases during these site visits.

Actions Taken to Improve Quality - Vocational Rehabilitation and Employment
The VR&E accuracy scores met or exceeded the target scores for 2014 in two elements: 1) Accuracy of Entitlement Determinations; and 2) Accuracy of Outcome Decisions. The following initiatives have been implemented to try and improve quality:

- Each regional office conducts a review of 10 percent of its caseload each year. This ensures consistency in the QA review process and office procedures.
- Training sessions are provided at each regional office during site visits to discuss trends on common errors.
- The STAR Team collaborates with the Training Team after site visit to identify training available to improve service delivery.
- The STAR Team collaborates with the Policy Team to provide feedback on new and existing policies so that clarification can be provided to improve quality of services.
- The STAR Team meets regularly with the VR&E Field Advisory Committee to address questions from regional offices regarding QA reviews.

The STAR Team meets regularly with the VR&E Field Advisory Committee to address questions from regional offices regarding QA reviews.

Current initiatives to improve performance include continued development of the Knowledge Management Portal; updates to the quality standards of practice; development of a new QA IT system, known as QA Web; implementation of policy clarifying service requirements; continued development of the Electronic Performance

Support System; and extensive training for new and experienced counselors as well as for new managers.

Summary of Findings and Trends - Loan Guaranty (Housing)

The Loan Guaranty housing program redesigned its quality review process in 2010 and began implementing this new process in 2011. As a result, first-level quality reviews that were previously performed onsite by Regional Loan Center staff are now the responsibility of the Loan Guaranty Central Office. The redesigned quality review process provides an objective third-party review of the work being done by the Regional Loan Center staff and produces a more representative sample than previously attained. Loan Guaranty Central Office staff reviewed18,504 cases under its quality review process during 2014.

The housing QA program includes elements beyond the review of cases. The VBA Lender Monitoring Unit performed 14 on-site audits and 37 in-house audits of lenders participating in VA's home loan program. VA audits of lenders during 2014 amounted to $241,240 in liability avoidance via indemnification agreements. VA has also collected $169,643 in 2014 as a result of having indemnification agreements in place.

Contract Assurance (formerly known as Portfolio Loan Oversight Unit) conducts two types of reviews: in-house and on-site. Contract Assurance reviewed 60 billing invoices and completed 60 associated invoice reviews of the portfolio services contractor, as well as 74 non-invoice reviews related to contract compliance. Additionally, Contract Assurance conducted research and tracking on funds due the Department based on monies flowing through the Department of Justice to VA.

Actions Taken to Improve Quality - Loan Guaranty (Housing)

The Loan Guaranty housing program disseminates the results of its quality reviews to field offices on a monthly basis. The Service prepares and releases trend reports that identify negative trends found during the routine monthly quality reviews. The trend results are published to assist field personnel in identifying common errors identified during the quality review process. Every 18 months, Loan Guaranty conducts site visits at each field station with loan activity. During those site visits, field office compliance and program risks are identified and evaluated. Any negative findings not resolved during on-site visits are to be addressed by field management within the parameters established by the corrective action taken or planned. Conversely, any procedures discovered during on-site visits that would benefit other field stations can be deemed as best practices. Summaries of best practices employed by individual field stations are disseminated to all field stations with each loan guaranty activity.

National training is provided to enhance the quality of service provided to Veterans and to increase lender compliance with VA policies. For instance, lenders who significantly fail to comply with VA's loan underwriting policies are held accountable for making egregious loans that go into default within five years from the date of the guaranty and

enter into an indemnification agreement with VA, or recover all or part of VA's losses from the original lender in cases where VA paid a third party servicer.

The property management service provider (Vendor Resource Management) is authorized to manage and sell all VA-acquired properties as a result of foreclosure or termination. The Property Management Oversight Unit monitors the management and marketing of the properties by the property management service provider. These assets are valued at approximately $ 990,388,969. The unit monitors the property management service provider's performance by inspecting properties nationwide to ensure compliance with the contract requirements and also performs on-site case reviews at their operations center.

Summary of Findings and Trends - Insurance
The Insurance program's principal QA tool is the Statistical Quality Control (SQC) review. SQC assesses the ongoing quality and timeliness of work products by reviewing a random sample of completed and pending work. Ten categories of work from the Policyholders Services and Claims divisions are reviewed.

Policyholders Services, whose work products deal with customer service and the maintenance of active insurance policies, had an overall accuracy of 91 percent for 2014. Work products included correspondence, applications, disbursements, record maintenance and refunds. The Policyholders Services Division also responds to telephone inquiries from Veterans and their beneficiaries. In 2014, the average speed of answer was 15 seconds. The percent of abandoned calls was 0.86 percent, and the percent of blocked calls was 1.93 percent. Insurance Claims Division is responsible for the payment of death and disability awards, the issuance of new life insurance policies, and the processing of beneficiary designations. The accuracy rate for Insurance Claims work products was 94 percent. Work products included death claims, awards maintenance, beneficiary designation changes, disability claims, and medical reinstatement applications. In total, the accuracy rate for all 2014 insurance work products was 93 percent.

The timeliness rate for Policyholders Services work products was 93 percent, and 92 percent for Insurance Claims work products. The overall timeliness rate for 2014 insurance work products was 93 percent.

The insurance QA program also includes internal control reviews and individual employee performance reviews. The Internal Control staff reviews insurance operations for fraud through a variety of reports and reviews. Reports are generated daily and identify various insurance transactions based on specific criteria that indicate possible fraud. The Internal Control staff also reviews 100 percent of all employee-prepared disbursements. Primary end products processed by employees in the operating divisions are evaluated based on the elements identified in the Individual Employee Performance Requirements. As a result of these controls, insurance disbursements are 99.7 percent accurate.

VA utilizes a client satisfaction survey instrument for the purpose of measuring satisfaction and to identify areas that need improvement. VA surveys 40 randomly selected Veterans and beneficiaries per month for each of 11 insurance end products. Veterans are asked to evaluate different aspects of service delivery on a five-point scale. Low ratings in a particular area indicate the need for process improvements or additional training.

Actions Taken to Improve Quality - Insurance
SQC exceptions are brought to the attention of the insurance operations division chiefs, unit supervisors, and employees who worked the case. VBA's Insurance Service evaluates the SQC programs periodically to determine if they are functioning as intended. Individual performance reviews are conducted monthly. The performance levels – i.e., critical and non-critical elements - are identified in the Individual Employee Performance Requirements. These reviews are based on a random sampling of the primary end products produced by employees in the operating divisions. Those items found to have errors are returned to the employee for correction. At the end of the month, supervisors inform employees of their error rates and timeliness percentages as compared to acceptable standards. VA's Insurance Program managers also use these data to identify training needs and opportunities for process improvements.

The survey contains a section titled, "How can we improve our service VA analyzes the responses to determine where process improvements can be made. VA also makes every effort possible to implement customer suggestions where appropriate in order to increase the effectiveness and efficiency of operations and increase customer satisfaction.

The Internal Control Staff monitors, reviews, and approves insurance disbursements and certain other controlled transactions, as well as reviews post-audit reports. Work products with any detected errors are returned for correction.

The results of SQC, employee performance reviews, client satisfaction surveys, and Internal Control feedback are used to address any areas where improvement is needed via corrective training and other steps to improve error rates and timeliness percentages.

In 2014, we developed new processing guides for combining 4 percent and 5 percent policy loans. This new process reduces administrative costs for the Insurance Program and results in reduced interest costs for policyholders.

The Insurance Program also systematized its approach for conducting refresher training for Insurance Specialists. The SQC and Performance Review Programs are used to highlight performance gaps and identify related topics for training. Instructors train using standardized lesson plans and provide step-by-step processing samples.

NCA

NCA is committed to ensuring that the burial and memorial needs of Veterans and their eligible family members are met. NCA assesses its success at meeting these needs by measuring the level of reasonable access Veterans have to a burial option at a VA national cemetery or VA-funded State Veterans cemetery, the level of satisfaction of our clients have with VA national cemeteries and memorial products, and the condition of gravesites in national cemeteries.

NCA measures reasonable access to a national or State Veterans cemetery through the use of Veteran population estimates based on the 2010 Census and provided by VA Office of the Actuary. NCA's methodology for determining the percent of the US population that has reasonable access to a burial option has been in place for more than 20 years and has been validated by VA Office of the Inspector General (OIG).

NCA measures client satisfaction through the use of nationwide surveys administered by independent contractors with extensive experience in survey data collection and analytical techniques. Survey results are analyzed and reported at a 95 percent confidence level consistent with recognized sound survey practice.

Results for NCA's annual Survey of Satisfaction with National Cemeteries provide statistically significant results from clients of VA national cemeteries at the national, Memorial Service Network, and cemetery levels. This multifaceted level of analysis enables NCA to recognize and address trends locally, regionally, and nationally to improve the client experience in a wide range of cemetery aspects. The methodology for this survey was originally established in 2001 and has been well developed through several years of experience.

This experience was critical in the development of NCA's Memorial Products Survey in 2010. This survey provides important client feedback on the quality of VA headstones and markers and PMCs. The majority of headstones and markers furnished by NCA are for the graves of Veterans interred outside of VA's national cemetery system. NCA also furnishes more than 600,000 PMCs to the families of deceased Veterans annually. Measuring the level of satisfaction of the recipients of these memorial products is critical to assessing NCA's overall level of customer service.

In 2004, NCA developed standardized criteria for assessing the condition of gravesites in national cemeteries in order to better assess NCA's performance on maintaining national cemeteries as national shrines. This effort led to the development of 3 critical performance measures that assess the proper height and alignment of headstones and markers; the cleanliness of headstones, markers and niche covers; and the proper grade levels of gravesites. These data support NCA's overall measure of client satisfaction with the appearance of national cemeteries as measured on NCA's annual Survey of Satisfaction with National Cemeteries and is an important factor in developing NCA's annual budget requests.

The use of independent contractors to administer NCA's client satisfaction surveys and independent validation of NCA's methodology for determining Veteran burial access attest to the high level of data quality NCA uses to measure the level of service provided to Veterans, their families, and other important NCA stakeholders, such as funeral home directors. Standardized assessment and reporting methodologies and training help to ensure that the data used to assess gravesite conditions are accurate, reliable, complete, and consistently reported. Independent validation by trained, cross-functional teams of NCA Organizational Assessment and Improvement Program subject matter experts ensures the validity of these data. These approaches serve as the foundation for NCA's client focused approach to ensure that the burial needs of Veterans and their eligible family members are met.

Major Management Priorities and Challenges

	Major Management Challenge	Estimated Resolution Timeframe (Fiscal Year)	Page #
No.	**Description (Responsible Office)**		
OIG 1	**Health Care Delivery (VHA)**		
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1B	Access to Care **(VHA)**	ongoing	84
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OIG 2	**Benefits Processing (VBA, NCA)**		
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2C	Improving Access to Benefits for Rural Veterans **(NCA)**	2015	102
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OIG 3	**Financial Management (OM, VHA)**		
3A	Compliance with the Improper Payments Elimination and Recovery Improvement Act **(OM)**	2016	105
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OIG CHALLENGE #1: HEALTH CARE DELIVERY (VHA)
-Strategic Overview-

For many years, the Veterans Health Administration (VHA) has been a national leader in the quality of care provided to patients when compared with other major U.S. health care providers. However, in the Office of Inspector General's (OIG) review of deficiencies in patient scheduling and lengthy waiting times at the Phoenix Health Care System (HCS), OIG also identified nationwide systemic deficiencies of inappropriate and non-compliant scheduling practices that still persist throughout VHA. These problems and the environmental culture that allowed the issues to proliferate negatively impact the quality of care and result in a lack of data integrity. OIG reviews at a growing number of VA medical facilities have provided insight into the current extent of these inappropriate scheduling practices and confirmed that they are systemic throughout VHA.

VHA faces particular challenges in managing access to care, including ensuring the legitimacy of reported waiting times at its health care facilities nationwide. Further, the effectiveness of clinical care, budgeting, planning, and resource allocations are negatively affected due to the continued yearly uncertainty of the number of patients who seek care from VA. Historically, OIG has invested about 40 percent of its resources in overseeing the health care issues impacting our Nation's Veterans and has conducted reviews at VA Medical Centers (VAMCs) and Community Based Outpatient Clinics (CBOCs) as well as national inspections and audits, issue-specific Hotline reviews, and criminal investigations. This year, OIG used more than half of its workforce to address wait time and inappropriate scheduling allegations. The following sub-challenges highlight the major issues facing VHA today.

OIG Sub-Challenge #1A: Quality of Care (VHA)

VHA provides Veterans with comprehensive primary and specialty medical care; however, VHA continues to face challenges with matching Veterans' demands for specific types of medical care with the appropriate technology, infrastructure, and care providers. This is evident with VHA's difficulty in providing a proper mix of in-house mental health (MH) providers and outpatient MH services as well as integrating purchased care providers seamlessly into the plan of care for Veterans who receive their MH care from non-VA providers. Matching the supply of available providers to the demand for health care is made more difficult by the absence of VHA staffing standards for most physician specialist and MH providers, inaccuracies in data reported from the current appointment and consult management systems, and the lack of oversight to compel VA managers to rigorously evaluate the business case that determines how the provider workforce is utilized.

Modern health care requires that timely decisions be made and then executed with precision. VA is the largest integrated health care organization in the U.S. with a patient electronic health record (EHR) that was originally a model for other health care

organizations. However, VA's EHR has not been upgraded as necessary to keep pace with competing medical record systems with respect to appointment scheduling and decision support. In addition, VAMCs are permitted to modify certain aspects of the EHR, making it difficult and inefficient to implement national system updates and patches and resulting in diversity of nomenclature. VA's EHR has many outstanding features, but without improved standardization and a clear and workable plan going forward, VA will have increasing difficulty managing the data required by providers and administrators to ensure quality and timely health care for Veterans.

While VHA generally provides good quality medical care to its patients, recent OIG work has routinely reported on clinical outcomes or performance where VHA did not meet expectations and where OIG determined there were opportunities by people and systems to prevent untoward outcomes. To strengthen patient confidence and reduce risk of unexpected outcomes, VA managers must focus on operations oversight to ensure that VAMCs operate in accordance with VA and other applicable standards and that health care is VHA's number one priority. A lack of internal oversight and common business rules has resulted in quality of care deficiencies (poor care coordination, delays in diagnosis and treatment, lapses in patient safety, inadequate staff training, and noncompliance with VA policies) that were reported by OIG this past year. These instances include a patient death in an emergency department after safeguards in the EHR were bypassed, inaccuracies in and lack of follow through on root cause analyses, a patient death by overdose and insufficient monitoring in a substance abuse treatment program, a fragmented and inconsistent infection control program that put patients at risk, and concerns regarding operating room cleanliness. To correct these quality care deficiencies, VA must review the current methods used to fill internal vacancies, review quality oversight mechanisms used by Veterans Integrated Service Network (VISN) and national leaders, and make the required changes to address these shortcomings.

Veterans who have been injured during their service often suffer from physical and mental injuries. The use of narcotic medications for pain related symptoms in the U.S. and within VA is of staggering proportions. The use of high doses of narcotics for individual patients, where the medication has significant abuse potential, creates significant societal stresses within VA's community. VA's policy with respect to the management of the population of high narcotic users must be regularly reviewed and supported in order to affect the best possible outcomes for patients.

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VA Program Response
Estimated Resolution Timeframe: FY 2014/2015
Responsible Agency Official: Under Secretary for Health

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Completed Fiscal Year 2014 Milestones

Productivity Standards

Estimated Resolution Timeframe: 2015

Physician productivity standards have been established for 30 specialties representing more than 91 percent of the VHA's physician workforce.

- The standard for each specialty has been set as the FY 2013 mean by Medical Center Complexity Group for each specialty.
- These standards not only cover all physician specialties (including Internal Medicine and Psychiatry), they also include four non-physician specialties (Psychology, Optometry, Podiatry, and Chiropracty).
- These standards have been set for FY 2014 and will be revisited for FY 2015 (with consideration for transitioning to a standard relative to an external benchmark, such as the Medical Group Management Association).
- Only four specialties remain to be implemented: Anesthesiology, Pathology, Emergency Medicine, and Geriatrics.

The Office of Policy and Planning has utilized the Enrollee Health Care Projection Model to project clinical workload (in work Relative Value Units (wRVU)) by facility and by specialty for each of the 30 specialties with productivity standards established for FY 2018.

- These facility- and specialty-specific workload projections are being added to Specialty Productivity- Access Report & Quadrant Tool to provide a future workload trajectory (in wRVU) for guiding resource decisions and integrating operations, budget formulation and execution, and planning.
- Preliminary estimates of staffing requirements for physicians and support staff have been modeled using these Enrollee Health Care Projection Model estimates.

Using the framework and data that VHA put in place to measure physician productivity and staffing, we now use these data to assess capacity.

- The key elements of capacity include: 1) the numbers of clinical providers (physicians and physician extenders), and 2) the specialty-specific productivity expectations (acceptable/achievable levels of productivity) for each of those health care providers. The product of the two represents capacity.
- VHA can increase the number of providers, increase productivity, or increase both to increase capacity.
- Achieving desired levels of productivity for health care providers requires the following: 1) an efficient clinical environment (adequate numbers of exam rooms per provider and efficient clinic space, scheduling support, IT support (automatic appointment reminders for patients to minimize no-shows, etc.), Operating Room availability for surgeons, etc.), and 2) an optimal number and mix of clinic support staff per provider to ensure these providers can practice to the full extent of their license/capability.
- VHA has simulated productivity expectations (moving low performers to the standard) and calculated the appropriate support staff ratios to assist providers to become more productive or maintain productivity, as well as to assist potentially overburdened practices with the necessary physician staffing augmentation.

- These data were used in the assessment of VHA's actions to address national issues about access to care.
- Additionally, VHA used these data to assess for sites at significant risk - inefficient specialty practices (low productivity, poor access) Office of Performance, Efficiency, and Staffing (OPES) staff are actively engaging with these at-risk sites on process improvement.

<u>Audiology Productivity Standard</u>

Estimated Resolution Timeframe: OPES will provide a productivity cube that includes Audiology data by the end of FY 2014.

VHA Audiology Program Office and OPES are collaborating to develop and establish productivity standards for Audiology. OPES will provide a productivity cube that includes Audiology data by the end of FY 2014. OPES is on target to put into development a Rehabilitation Services Productivity Cube that will provide detailed data for Audiologists, as well as other Rehabilitation providers. OPES is responsible for developing the data to assist the program office in establishing policy regarding productivity and staffing.

<u>Electronic Health Record</u>

Estimated Resolution Timeframe: end of FY 2015

VistA Evolution is VA's program to create a seamless medical record for Veterans and modernize the EHR. VistA Evolution's main product is the next generation of VA's EHR system called VistA 4. VistA 4 includes clinical documentation and management features and scheduling functions, among other capabilities. VistA 4 also builds on VistA 3, which is standardization of the core VistA code across facilities.

This effort addresses three of OIG's concerns above: standardizing EHR across facilities with improvements, matching supply of available providers to the demands for health care, and management of narcotic users.

VistA standardization: VA standardized much of VistA code through the gold-disk effort of VistA 3. VHA is undertaking the deployment of standardized packages. The first nine standardization sites were completed in Quarter 1 of FY 2014, and standardization will be complete for all 133 VA medical center VistA instances by late 2015. A waiver program allows sites to get approval to maintain site-specific code that has clinical value. VistA 4 will be centrally deployed, similar to the Computerized Patient Record System versions. While the core code will not be subject to local modifications, tools will be provided for controlled customization within certain parameters. VistA 4's centralized software will also allow centralized control of content. This will allow VA to efficiently distribute and maintain, for example, rules for clinical

reminders and decision support. OIT is officially responsible for these efforts with the VHA participation.

Matching demand to available providers: VHA is designing VistA 4 to explicitly address resource management through scheduling, care plans, and activity management. The Medical Appointment Scheduling System is the major acquisition to address scheduling. This new software will provide improved visibility for managers and scheduling clerks into supply and demand for appointments. The system is currently planned for deployment to initial sites by FY 2016 and enterprise-wide deployment complete by FY 2018. OIT is responsible for both projects.

Management of Narcotic Users**:**

In addition to scheduling-software improvements, activity management in the core EHR will help predict and manage clinical based resources. Activity management has two parts: 1) resource management and 2) business-process management. Resource management brings together caregivers, Veterans, Servicemembers and their dependents, material resources, and in the appropriate care settings for diagnostic, therapeutic, or informational tasks. External VA care partners are important members of the care team; therefore, activity management considers and integrates the activities, resource management and communications with these external care team members. Business-process management ensures sequencing of these tasks according to standardized or custom care pathways. Sequencing activities for a given patient across multiple clinical disciplines through a care plan identifies who is doing what, when, and with what resources. Managers will be able to use the outputs of activity management to appropriately allocate resources across time, geography, or virtual modes of interaction. Types of workflows can be evaluated to determine the best productivity and inform future decisions. OIT is primarily responsible with VHA Office of Informatics & Analytics (OIA) participating. Preliminary aspects of activity management will be deployed in FY 2016. Additional functionality will be gradually deployed to full functionality in 2018.

For the management of narcotics, VistA 4 will supplement the aforementioned pharmacy interventions with panel management and population health capabilities. VistA 4 will allow practitioners charged with managing narcotics to customize lists of patients to monitor progress towards goals or increased need and adjust therapy accordingly. OIT is primarily responsible with VHA OIA participating. Patient panel functionality will be deployed with basic functionality in 2016 with increasing functionality through FY 2018.

Operations Oversight

VHA Directive 2009-055, *Staffing Plans*, dated November 2, 2009, established national VHA policy to assist health care facilities in developing formal plans for staffing levels and the proper staff mix in all disciplines to support patient outcomes, clinical

effectiveness, and efficiency. The Directive provides a framework for developing, implementing, and reviewing staffing plans. Managers at the point-of-care (facility level) make staffing decisions about the appropriate mix and level of staff required based on:

- Mandated national staffing levels or methodologies;
- Recommendations from the team providing the care or services; and
- Performance measures, patient outcomes, or other indicators or monitors of the accessibility and quality of care provided.

Recent events have shown marked vulnerabilities in the way care is managed and delivered requiring an approach that balances appropriate measurement, with better self-assessment, and focused plan for improving those areas that are underperforming. VHA needs to ensure appropriate levels of staffing and create hiring strategies for staff in regions of the country that are unusually competitive.   Further, it will be critical that VHA quickly fill leadership positions at facilities and VISNs and subsequently ensures that new leaders are given the advanced skills to maximize success.

As such, VHA is finalizing a new handbook and directive that will define the policy for monitoring and assessing specialty provider group practice productivity and associated staffing levels.   The Assistant Deputy Under Secretary for Health (ADUSH) for Patient Care Services and the ADUSH for Clinical Operations are responsible for the development of the staffing guidelines.   The policy outlines general guidelines VHA facilities must follow on a yearly basis. The guidelines require assessing and measuring productivity and staffing, to include performing needs assessments for hiring.

In addition to increased focus on appropriate staffing, VHA is developing a framework that will combine self-assessment with use of key measures to determine facilities that may have a range of vulnerabilities that could put patient care at risk. These facilities will be paired with top performers to help accelerate and sustain improvements.

Use of Narcotic Medications

Estimated Resolution Timeframe: February 28, 2015

VA has taken steps to enhance prescribing and prescription fulfillment processes to prevent harms associated with the use of pain medications. Included among these steps are the following:

- Deployment of an Opioid Safety Initiative which was implemented nationwide in August 2013.
  - Monitoring of patients dispensed opioids
  - Monitoring of concurrent opioid/benzodiazepine prescribing
  - Monitoring of morphine equivalent daily dose
  - Monitoring of urine drug screens for patients on opioids for longer than 90 days

- To support implementation of the OSI, the National Pain Management Program office, in collaboration with other VHA offices including Pharmacy Benefits Management, Primary Care, and MH, has:
  - Developed detailed clinical guidance recommendations in instructional formats for training clinical teams throughout the VHA in safe opioid prescribing practices and the integration of safe, non-opioid, evidence-based pain therapies;
  - Disseminated this guidance, along with other pain management education developed jointly with DoD, through educational programs for VHA's Primary Care Services and Patient Aligned Care Teams (PACT), the VHA Pain Management Program's VISN and facility points of contact, and the VHA's pain Website.
- Deployment and implementation of Overdose Education and Naloxone Distribution in April 2014 to prevent harms from intentional or unintentional opioid overdose
- Successful piloting of an Academic Detailing/Psychotropic Drug Safety Initiative which is scheduled for nationwide implementation in Quarter 4, FY 2014
- Distribution of acetaminophen prescribing education information to the field on June 10, 2014. Education information can be found at the following link: http://www.pbm.va.gov/PBM/vacenterformedicationsafety/vacenterformedicationsafetybulletinsandnewsalerts.asp.
- Deployment and implementation of the Medication Order Check Healthcare Application to the field took place on July 9, 2014. The application is expected to reduce inadvertent prescribing harms such as drug interactions
- An Essential Medication Information Directive has been in concurrence since January 8, 2014. This directive will standardize how medication information is displayed to patients and staff.
- VHA Directive 1005, *Informed Consent for Long-Term Opioid Therapy for Pain*, published on May 6, 2014, establishes policy regarding patient education and informed consent for long-term opioid therapy for pain and policy regarding opioid pain care agreements.
- On March 21, 2014, a briefing on the need for a VA Medication Reconciliation/Patient Medication Overarching Strategy was conducted.

OIG Sub-Challenge #1B: Access to Care (VHA)

In response to allegations of gross mismanagement of VA resources and potential criminal misconduct by VA senior leadership at the Phoenix VA Health Care System (PVAHCS) that arose in April 2014, VHA needed to take immediate steps to ensure all Veterans receive appropriate and timely access to care. OIG identified several patterns of obstacles to care that resulted in a negative impact on the quality of care provided by the PVAHCS. Patients recently hospitalized, treated in the emergency department, attempting to establish care, or seeking care while traveling or temporarily living in Phoenix often had difficulty obtaining appointments. Furthermore, although OIG found that PVAHCS had a process to provide access to an MH assessment, triage, and stabilization, problems were identified with continuity of MH care and care transitions,

delays in assignment to a dedicated health care provider, and limited access to psychotherapy services.

As of April 22, 2014, OIG identified about 1,400 Veterans waiting to receive a scheduled primary care appointment who were appropriately included on the PVAHCS electronic wait list (EWL). As   work progressed, OIG identified over 3,500 additional Veterans, many of whom were on what was determined to be unofficial wait lists, waiting to be scheduled for appointments but not on PVAHCS's official EWL. These Veterans were at risk of never obtaining their requested or necessary appointments.

Subsequent to publication of the interim report on the initial Phoenix HCS allegations, OIG received approximately 225 allegations regarding the PVAHCS and approximately 445 allegations regarding manipulated wait times at other VA Medical facilities through the OIG Hotline, from Members of Congress, VA employees, Veterans and their families, and the media. VA OIG's Office of Investigations opened investigations at 93 sites of care in response to allegations of wait time manipulations. In particular, OIG focused on whether management ordered schedulers to falsify wait times and EWL records or attempted to obstruct OIG or other investigative efforts.

The national implications associated with the concerns of whether the facility's EWL purposely omitted the names of Veterans waiting for care, and at whose direction, and whether the deaths of any Veterans resulted from delays in care have shaken public confidence in VA's system of health care networks. OIG identified a systemic practice to manipulate performance metrics by intentionally leaving patients off wait lists and manipulating wait list data to better reflect performance on facility reports. OIG also identified a prevalent lack of management attention at the level expected of leaders at VHA medical facilities.

OIG's *Audit of VHA's Mobile Medical Units* assessed VHA's use of MMUs to provide health care access to Veterans in rural areas. This work was requested by the U.S. House of Representatives Committee on Appropriations. OIG found that VHA leadership and program managers knew little about the operations of its MMUs and were not collecting sufficient data to determine whether MMUs improved rural Veterans' health care access. VHA did not know the number, locations, purposes, patient workloads, and general operating costs of the units in this initiative. VHA operated at least 47 MMUs in FY 2013. Medical facilities only captured utilization and cost data in VHA's Decision Support System (DSS) for 6 of the estimated 47 MMUs. Consistent collection of these data could have helped VHA compare MMU utilization and costs with other health care delivery approaches. Such information could have enabled VHA leadership to make assessments and decisions to ensure MMUs provided efficient health care access to Veterans in rural areas. Though sound in concept, this initiative was weakened because VHA leaders did not designate specific program responsibility for MMU management, define a clear purpose for its MMUs, or establish policies and guidance for effective and efficient MMU operations. VHA was unable to demonstrate whether the almost $29 million spent, as well as unknown amounts of expended

medical facility funding, had actually increased rural Veterans' health care access, and if it did, to what extent.

VA Program Response
Estimated Resolution Timeframe: ongoing
Responsible Agency Official: Under Secretary for Health

Completed Fiscal Year 2014 Milestones

Access to Care

VA is in the midst of addressing its most serious crisis in more than a generation. As we begin to tackle nationwide challenges for ensuring Veterans have timely access to health care they have earned, our priorities are clear: 1) to get Veterans off wait lists and into clinics, while also fixing our scheduling system; 2) to address VA's cultural issues, which includes holding people accountable for willful misconduct or management negligence, and creating an environment of openness and transparency; and 3) to use our resources to consistently deliver timely, high-quality health care to our Nation's Veterans.

VHA understood the need for immediate action prior to the release of OIG's Interim Report, *Review of Patient Wait Times, Scheduling Practice, and Alleged Patient Deaths at the Phoenix Health Care System,* on May 28, 2014. From May 12, 2014 through June 3, 2014, VHA conducted a nationwide Access Audit of 731 facilities to determine if allegations about inappropriate scheduling practices were isolated instances of improper practices or if broader, more systemic problems existed. Because initial findings from the audit were a strong basis to commence immediate action, on May 23, VHA:

    a. Deployed the Accelerating Access to Care Initiative. This initiative identified roughly 100,000 Veterans who were currently experiencing long wait times for their VA health care. VHA immediately began contacting these Veterans to accelerate access to care either at VA facilities or through referral to community providers.

    b. Launched the Leading Access and Scheduling Initiative in order to make rapid and definitive changes to ensure integrity in managing Veterans' access to care so we could maintain our focus on providing Veterans timely access to quality health care.

VHA not only responded immediately to the results of the nationwide access audit via Access to Care Initiative and Leading Access and Scheduling Initiative; we also took action to reform access to VA health care including, hiring additional clinical and patient support staff, using temporary staffing measures, deploying Mobile Medical Units, and providing more care by modifying local contracts for community care. In May 2014, when OIG published its Interim Report, providing VA leadership with four

recommendations for immediate implementation, we acted on those recommendations immediately.

    a. OIG recommended that the "VA Secretary take immediate action to review and provide appropriate health care to the 1,700 veterans we identified as not being on any existing wait list." In response:

        i. VA announced on June 4, 2014, that the Department had reached out to all Phoenix, Arizona-based Veterans identified by the IG as not being on any wait list to immediately begin scheduling appointments for all Veterans requesting care.

        ii. Of those Veterans identified by the IG 1,057 Veterans requested and were scheduled for medical appointments.

        iii. As of October 29, 2014, all 1,057 Veterans have been contacted, scheduled an appointment and either completed their appointment or did not show.

    b. OIG recommended that the " VA Secretary review all existing wait lists at the Phoenix Health Care System to identify veterans who may be at greatest risk because of a delay in the delivery of health care (for example, those veterans who would be new patients to a specialty clinic) and provide the appropriate medical care." In response:

        i. As part of the review, VA reached out to more than 5,000 Veterans in Phoenix to coordinate the acceleration of their care. The 1,700 Veterans identified by the OIG are a subset of those 5,000 Veterans.

        ii. Those Veterans included all individuals on the Phoenix VA Health Care System's New Enrollees Appointment Request List , EWL and patients who were waiting greater than 90 days to receive a scheduled appointment.

        iii. Once contact had been made, Phoenix staff scheduled Veterans for appointments based on the Veterans' preference for the timing of their appointments as well as appropriate clinical need.

        iv. Clinical staff attempted to accommodate all needed appointments at the Phoenix VA Health Care System. Where capacity did not exist to provide timely appointments, staff referred patients to non-VA community care in order to provide all Veterans timely access to care.

        v. Since May 15, VA has scheduled 2,300 appointments at the Phoenix VA Health Care System and made 2,713 referrals for appointments to community providers through non-VA care.

    c. OIG recommended that the "VA Secretary initiate a nationwide review of veterans on wait lists to ensure that veterans are seen in an appropriate time, given their clinical condition." In addition, on May 21, 2014, former Secretary Shinseki directed the Veterans Health Administration leadership to personally review their processes to ensure VA is doing everything possible to schedule Veteran patients for timely appointments. In response:

     i.   VA health care facilities nationwide continuously monitor clinic capacity in an effort to maximize VA's ability to provide Veterans timely appointments given their clinical conditions.

    ii.   Where VA cannot increase capacity, VA is increasing the use of care in the community through non-VA medical care.

    iii.   Approximately 200,000 new VA appointments nationwide were scheduled for Veterans between May 15 and June 15, 2014.

    iv.   Additionally, nearly 40,000 individual Veterans have received referrals for their care to private providers in the community in order for Veterans to receive needed care as quickly as possible.

    v.   Each of VA's facilities continuously reaches out to Veterans waiting greater than 90 days for care to coordinate the acceleration of their care.

    vi.   Facility clinical staff continuously evaluate Veterans currently waiting for care to determine if the timing of their appointment is medically appropriate given their individual clinical conditions.

    d. OIG recommended that the "VA Secretary direct the Health Eligibility Center to run a nationwide New Enrollee Appointment Request report by facility of all newly enrolled veterans and direct facility leadership to ensure all veterans have received appropriate care or are shown on the facility's electronic waiting list." In response:

        i.   The Health Eligibility Center, in connection with the Veterans Health Administration Support Services Center, developed a report to identify those individuals currently waiting on the NEAR List.

        ii.   As of October 29, 2014, approximately 896 Veterans are on the NEAR list.

        iii.   A preliminary analysis of the 61,900 Veterans removed from the NEAR list shows:

    1. 20 percent cancelled their request for an appointment

    2. 11 percent scheduled an appointment

    3. 2 percent were placed on the EWL

    4. 7 percent requested and were referred to other VA services

    5. 7 percent were in the early stages of eligibility and verification

    6. 52 percent are still in process

    7. Of the 52 percent in process, VA has made several attempts to contact those Veterans by phone. After verifying mailing addresses, VA sent certified letters to every Veteran who could not be reached by phone.

On July 23, 2014, the Interim Under Secretary for Health (USH) chartered a special workgroup to reinvigorate VHA's Performance Management Program, starting with the system-level measures used for the Agency's Performance Plan (APP).   The workgroup will also provide recommendations for restructuring the process of measure governance, with particular attention to how VHA translates its high level priorities into

strategic, tactical, and transactional measures that communicate our priorities and provide feedback for management and operations. VHA's intent is to create an environment in which all VA employees feel engaged with the measures that are used to monitor and improve performance, understand the primacy of Veteran-centered care over "meeting the target," and feel comfortable in raising concerns, regardless of their position in the organization. As this is a large scale overhaul of VHA's entire program planning, budgeting, performance measurement, and evaluation cycle, VHA anticipates the new system to be fully implemented in FY 2016.

Additional short term actions are also underway. VHA has removed all waiting-time based performance measures from VHA Senior Executive performance plans, and is seeking approval from the Office of Management and Budget to remove waiting time measures from VHA's FY 2015 Agency Performance Plan (anticipated completion date: September 30, 2014). As of May 30, 2014, facility and VISN Directors were directed to conduct "Listening Sessions" with front-line staff across all scheduling units to engage them in discussing access, integrity, and the integrity of performance measures. Visits to all scheduling units are expected to be completed by December 2014. As of October 29, 2014, 4,000 site visits have been completed.

Mobile Medical Units

VHA issued a memorandum to all VISN Directors to withhold funding for the purchase of new MMUs or for new resources for current MMUs until a comprehensive assessment is conducted to assess factors, such as the current composition of the MMU fleet, services provided, operational delays and costs, and the impact on rural Veteran's access to health care. VHA anticipates this review to be completed in September 2014. Contingent upon completion of the comprehensive assessment review, VHA will develop and publish MMU policies, objectives, strategy for providing program oversight and guidance for effective and efficient operations of MMUs. VHA will assign responsibility for maintaining operational data on MMUs to ensure the resources can be used as part of VHA's emergency plan. Additionally, VHA will implement a mechanism to ensure MMU-specific operations and financial data are collected in VHA's Decision Support System.

In April 2014, the Office of Finance Managerial Cost Accounting Office (MCAO) sent out guidance to all VA medical centers on how to properly account for MMUs in the DSS. This guidance included instructions on how to acquire a new division number, which is required for proper cost accounting of MMUs. In May 2014, the guidance was redistributed and the facility Directors identified in the OIG report were provided with a status update.

As of September 30, 2014, MCAO reported the following: 1) 42 MMUs require no further action (have acquired division numbers enabling them to be properly accounted for in DSS); 2)23 MMUs pending action in the Veterans Affairs Site Tracking (VAST); 3) division request need to be initiated; and 4) 0 pending clarification. The reason that the

total number of MMUs has grown is that MCAO, in collaboration with the staff at VAST, have uncovered a number of sites that had dual MMUs sharing the same division number. The reason that these sites provided for this practice is that the MMUs provided identical clinical services and often shared staff. These sites have been instructed to acquire a separate division number for each MMU, regardless of the services provided and staff that is shared.

OIG Sub-Challenge #1C: Care of Homeless Veterans (VHA)

The need for timely access to appropriate health care for our homeless Veteran population is also a significant challenge. VA has been involved in street outreach, residential and transitional housing services, vocational rehabilitation, access to primary and MH care, counseling for substance abuse and assistance with benefits for those who qualify. One resource available is VHA's Supportive Services for SSVF. Under this program, VA awards grants to private nonprofit organizations and consumer cooperatives that can provide a range of supportive services to eligible very low-income Veteran families. Supportive services include outreach, case management, and assistance in obtaining VA benefits and coordinating other public benefits available in the grantee's area or community. The program is designed to rapidly re-house homeless Veteran families and prevent homelessness for those at imminent risk due to a housing crisis. SSVF grantees can make temporary financial assistance payments on behalf of Veterans to third-party providers to cover rent, utilities, security deposits, moving, transportation, child care, and emergency supplies.

The program has been successful in that it provided services to over 62,000 participants in FY 2013 although it was projected to serve only 42,000 for the entire fiscal year. To date, over 80 percent of those discharged from SSVF have been placed in or saved their permanent housing. OIG's review of the SSVF program indicates that the program has adequate financial controls in place and is working as intended to ensure funds are appropriately expended by grantees to care for the homeless.

However, SSVF program leaders can improve controls to ensure only eligible Veterans and their family members participate in the program. OIG found three of five grantees used outdated area median income limits to determine eligibility and were denied benefits. In addition, four of five grantees did not verify Veterans' discharge status with the required Certificate of Release or Discharge from Active Duty (DD 214), which could have allowed non-Veterans to receive benefits for which they were not eligible. For FY 2013, the SSVF Program awarded about $100 million in grants. Grant funding for FY 2014 has increased to $300 million. VHA needs continued diligence to ensure Veterans and families, who are homeless or at risk of homelessness, are adequately served.

VA's Program Response
Estimated Resolution Timeframe: 2014
Responsible Agency Official: Under Secretary for Health

Completed Fiscal Year 2014 Milestones

SSVF will provide email notification to all grantees when area median income (AMI) limits are published by HUD. In addition, SSVF will continue to provide guidance on how to find the current AMI in the SSVF Program Guide and through training provided by SSVF Regional Coordinators. On February 21, 2014, the SSVF program office issued HUD's AMI in an email sent to all grantees. The email stated the following:

> "The FY 2014 Area Median Income (AMI) limits were published by HUD at the end of 2013. Grantees should confirm that the AMI limits that they are using are the most current limits. To do this, grantees can go to the HUD User Data Site at http://www.huduser.org/portal/datasets/il/il14/index_il2014.html. They can then click on the gray box for FY 2014 Income Limit Documentation. They can select a state and a county and then click on the next screen button. This will take them to the limits at 30 percent, 50 percent, and 80 percent per household occupants. Grantees are reminded that in order to be eligible for SSVF, a Veteran family must have a gross annual income that is at or below 50percent AMI (which is considered very low-income)."

SSVF issued updated guidance to the field on December 19, 2013, instructing grantees on the SSVF eligibility requirements. Additionally, on December 19, 2013, SSVF conducted a national webinar for all SSVF grantees reviewing eligibility for services. This guidance detailed how grantees can ensure that Veterans are eligible for services. On March 31, 2014, a portion of this guidance was revised to reflect the original application of SSVF program eligibility under the SSVF regulatory definition of Veteran (38 CFR Part 62). VA is reviewing the implications that changes in SSVF eligibility and the application of Veterans under 38 CFR Part 62 might have on homeless and at-risk Veterans and on SSVF grantees. Furthermore, SSVF continues to provide ongoing technical assistance and guidance regarding Veteran eligibility. In addition to written guidance (see Section VI.B. of Program Guide below), SSVF reviewed eligibility during a national conference call in April 2014, in subsequent monthly calls conducted by SSVF staff, and regional meetings held during summer 2014.

The following guidance has been excerpted from the SSVF Program Guide:

> "Veterans eligible for SSVF must also meet the requirements defined for VHA benefits, found at http://www.va.gov/healthbenefits/resources/epublications.asp. To prove a participant's Veteran status, grantees should obtain a copy of the Veteran's Department of Defense (DD) Form 214 Certificate of Release or Discharge from Active Duty (see Section I.D. of Program Guide for definition of DD Form 214) and keep a copy of that form in the Veteran family's file. VA

recommends one or more of the following may be used as verification of Veteran status in lieu of the DD214: a VA Medical Card, HINQ (see below), or proof from VBA of a VA service connected disability.

The Department of Veterans Affairs (VA) utilizes several methods of Veteran eligibility verification:

a. The Health Eligibility Center (HEC) supports VA's health care delivery system by providing centralized eligibility verification and enrollment processing services.
b. Hospital Inquiry System (HINQS) is used by VA Medical Centers to query VBA's compensation and pension BDN to secure information on C&P entitlements and eligibility.
c. Veteran Information Solution (VIS) is a web-based application that provides a consolidated view of comprehensive eligibility and benefits utilization data from across VBA.

To request verification through an existing VIS or HINQS user, grantees can call a designated staff at the local VA medical center with VIS access. Some facilities work out a call process with the VHA registration staff. Grantees unfamiliar with either of these processes may contact their SSVF Regional Coordinator for assistance."

In addition, grantees have been instructed that documents needed to confirm eligibility can also be obtained online through the following resources:

• E-benefits enrollment: https://www.ebenefits.va.gov/ebenefits-portal/ebenefits.portal
• Online application for VHA services: https://www.1010ez.med.va.gov/sec/vha/1010ez
• DD214 online: http://www.archives.gov/veterans/military-service-records/

VA will ensure compliance with AMI guidelines and eligibility requirements through annual monitoring visits conducted by VA Regional Coordinators and contract staff as well as periodic audits conducted by VA's Financial Services Center. Additionally, in order to further ensure compliance, the SSVF Program Office will continue to conduct training on these topics in the first quarter of FY 2015.

OIG CHALLENGE #2: BENEFITS PROCESSING
-Strategic Overview-

Persistent large inventories of pending claims for compensation benefits pose a continuing challenge for Veterans Benefits Administration (VBA). As of September 2014, this inventory of claims is 515,621, with a backlog of 241,991 claims pending over 125 days. This backlog is attributed to an increase in the disability claims workload, in

part due to returning Iraq and Afghanistan Veterans, reopened claims from Veterans with chronic progressive conditions related to Agent Orange, relaxed evidentiary requirements to process post-traumatic stress disorder claims, and additional claims from an aging Veteran population with declining health issues. Complex benefits laws related to traumatic brain injury (TBI) claims as well as court decisions, technology issues, workload management, and staffing concerns also contribute to VBA's benefits processing challenges.

In efforts to address this backlog, VBA has adopted numerous transformation initiatives, including claims digitization and automated processing using the Veterans Benefits Management System (VBMS). VBA has also moved to initiatives such as claims brokering to even out workloads across VA Benefit Offices, provisional ratings for claims over two years old, expedited rollout of Disability Benefits Questionnaires, and mandatory overtime for claims raters. Efforts to reduce the backlog of claims waiting to be processed have resulted in VBA actions to reprioritize workloads and reallocate staff from other programs.

OIG reported VBA continues to experience challenges in ensuring its 56 VA Benefit Offices comply with VA regulations and policies and deliver consistent operational performance. Some initiatives to reduce the claims backlog were put in place without adequate controls. OIG continues to report the need for enhanced policies and procedures, training, oversight, quality reviews, and other management controls to improve the timeliness and accuracy of VBA's disability claims processing. OIG reports issued in 2014 highlight continued VBA challenges in managing the claims backlog and ensuring accuracy in disability benefits processing.

Delivering timely and accurate benefits is central to VA's mission. VBA is responsible for oversight of the nationwide network of VA Benefit Offices that administer a range of Veterans benefits programs, including compensation, pension, education, home loan guaranty, vocational rehabilitation and employment, and life insurance. These programs are estimated to pay out over $73 billion in claims to Veterans and their beneficiaries in FY 2015, and comprise approximately half of VA's total budget.

OIG conducts inspections of VA Benefit Offices on a three-year cycle to examine the accuracy of claims processing and the management of Veterans Service Center (VSC) operational activities. After completion of the inspections, reports are issued to each VA Benefit Office Director on the inspection results. These inspections address the processing of high-risk claims such as TBI and temporary 100 percent disability ratings. In FY 2013, OIG initiated the second cycle of reviews of all VA Benefit Offices. Furthermore, OIG is also performing separate reviews focused on two of VBA's major initiatives related to accuracy of electronic processing of claims using VBMS and effectiveness of provisional decisions under the Special Initiative to Process Rating Claims Pending Over 2 Years. For example, at the end of June 2013, VBA reported 516,922 rating claims pending in its backlog, including 1,258 rating claims pending over two years. For that same time frame, OIG estimated that 7,823 provisionally-rated

claims had been removed from the inventory although they were still waiting for final decisions. These 7,823 provisionally-rated claims represent less than 2 percent of VBA's reported backlog; however, they represent over 12 percent of the claims completed under the special initiative.

OIG Sub-Challenge #2A: Improving the Accuracy of Claims Decisions (VBA)

VA Benefit Office staff faced challenges providing accurate decisions on Veterans' disability claims. For our inspections, OIG sampled claims with certain medical disabilities considered to be at higher risk of processing errors, thus results do not necessarily represent a VA Benefit Office's overall accuracy in processing disability claims. Claims processing that lacks compliance with VBA procedures could increase the risk of improper payments to Veterans and their families.

From October 2013 through June 2014, OIG inspected 16 VA Benefit Offices and reported on their performance in 5 claims areas:

- Temporary 100 percent disability evaluations for service-connected conditions requiring surgical or medical treatment.
- TBI.
- Special Monthly Compensation (SMC).
- Systematic Analyses of Operations (SAO).
- Benefits Reductions.

OIG determined VA Benefit Office staff did not correctly process 35 percent of the total 977 claims sampled primarily due to a lack of oversight and training. Specifically, VA Benefit Office staff incorrectly processed:

- 52 percent of 359 temporary 100 percent disability evaluations, resulting in nearly $3 million in improper payments within this sample of national claims.
- 18 percent of 326 TBI claims reviewed. OIG found that TBI claims processing errors resulted from staff using VHA medical examination reports that did not contain sufficient information to make accurate rating determinations. Staff generally over-evaluated the severity of TBI-related disabilities because they did not properly interpret the medical examination reports.
- 37 percent of 292 claims involving SMC and ancillary benefits.

VBA's management of temporary 100 percent disability evaluations is considered ineffective and as a result OIG sees significant risks of improper payments. In OIG's June 2014 report, *Follow-up Audit of VBA's 100 Percent Disability Evaluations,* the objective was to determine whether VBA took sufficient action to implement Recommendation Seven from the prior 2011 OIG report. The recommendation was to "Conduct a review of all temporary 100 percent disability evaluations and ensure each evaluation has a future exam date entered in the Veterans' electronic records." OIG

previously reported in the 2011 *Audit of 100 Percent Disability Evaluations* that VBA was not correctly evaluating and monitoring 100 percent disability evaluations. At that time, OIG projected that VA Benefit Office staff did not correctly process 100 percent disability evaluations for about 27,500 (15 percent) of 181,000 Veterans. The 27,500 disability evaluations included over 9,900 Veterans with temporary 100 percent disability evaluations without future exam dates entered in the electronic record. Without improved management of these claims, VBA could overpay Veterans a projected $1.1 billion in the next five years.

As of January 2014, VBA identified over 8,300 temporary 100 percent disability evaluations for VA Benefit Offices to review; however, 7,400 (88 percent) had not been reviewed. Further, OIG estimated 3,100 (42 percent) of these Veterans had received almost $85 million in improper benefit payments since January 2012 because their claims lacked adequate medical evidence. OIG remains concerned about VBA's financial stewardship of these claims and projects that without action, VBA could continue making unsupported payments to Veterans totaling about $371 million over the next five years. The most recent OIG follow-up audit reported a $456 million ($85 million plus $371 million) total impact to the Government. This projection was reduced to $222.6 million for reporting purposes because the 2011 projection and report included all benefits before December 31, 2015.

The pressure to reduce the backlog has had a negative and sometimes unintended impact on other aspects of claims processing. On April 19, 2013, VBA began a special initiative to process all claims pending for two years or more. VA Benefit Office staff were to issue decisions on all these within 60 days if there was sufficient evidence to make a decision. As such, a new "provisional" rating category was established. VBA applied this initiative to all claims received on or before July 1, 2011. VBA identified a total of 62,600 claims under this initiative. However, VBA's provisional rating policy was not fully effective in meeting the special initiative goals. In comparison with the existing intermediate ratings policy, provisional ratings provided some claims decisions faster, but did not allow benefits to be granted more quickly. Further, by removing provisionally-rated claims from the backlog, VBA misrepresented its workload statistics and progress toward backlog elimination.

OIG takes exception to VBA's procedures in its provisional ratings policy because it focused on providing decisions that removed these claims from the pending inventory. VBA considered claims to be complete upon issuance of provisional ratings in spite of Veterans still awaiting final ratings decisions. Further, VA Benefit Offices did not prioritize finalization of provisionally-rated claims once they were no longer considered part of the backlog. OIG estimated 6,000 Veterans with provisional ratings were awaiting final decisions as of January 2014. VBA did not always ensure electronic system controls were functioning as intended to remind of the need for future actions to finalize these provisional ratings. VBA also did not accurately identify all provisionally-rated claims that needed to be tracked and managed through to finalization. Because

of this lack of controls, some Veterans may never have received final rating decisions if not for OIG's review.

VBA also did not accurately process 77 (32 percent) of 240 rating decisions issued under the special initiative. Generally, these errors occurred because VA Benefit Offices felt pressured to complete these claims within VBA's 60-day deadline. OIG estimated VA Benefit Office staff inaccurately processed 17,600 of 56,500 claims, resulting in $40.4 million in improper payments during the special initiative period.
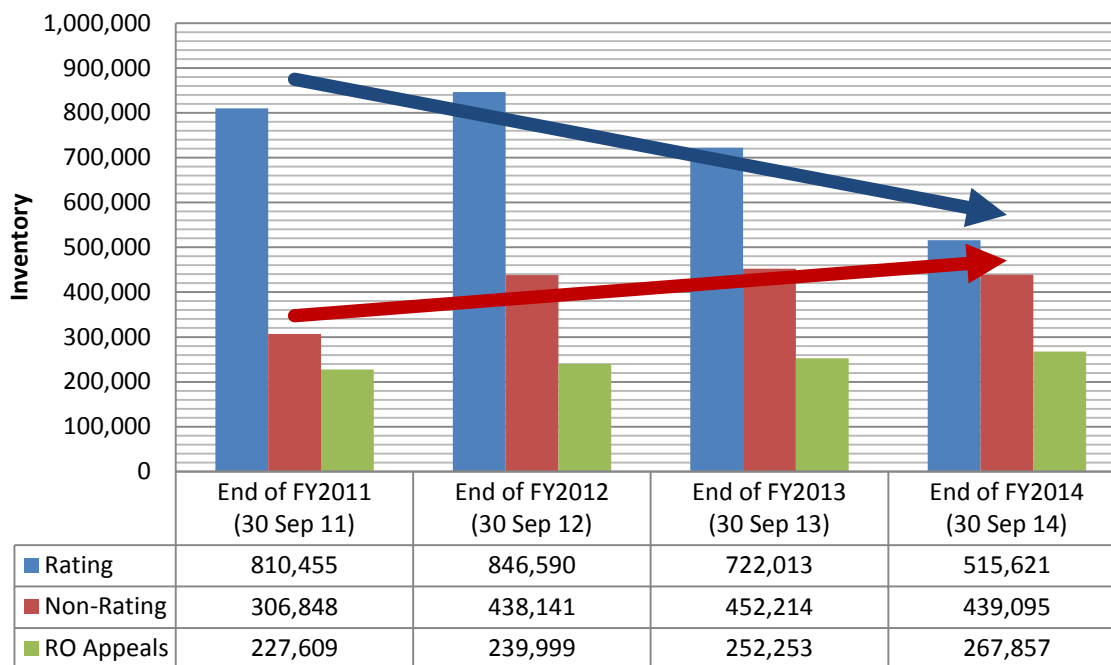
There is a correlation between the special initiative and recent VBA statistics that the claims backlog is decreasing. The backlog has actually decreased by 17 percent since the end of FY 2011. However, claims not counted in the inventory (non-inventory rating) are increasing—by a staggering rate of almost 51 percent during the same period. VBA's special initiative to reduce the number of claims pending over two years or more provides an example of how, if not why, this is happening. In essence, when claims were reviewed under this initiative, claims that were ready-to-rate (having sufficient evidence on file) were completed and granted, or denied. Claims awaiting certain evidence were given a provisional rating, for which the criteria are quite complicated. These claims were electronically coded to "be reviewed and rated in 365 days" and taken off the inventory. VBA sent notification to the Veterans, advising of the 'provisional' ratings and requesting the evidence needed to support their claims. However, these claims were no longer treated as pending claims. Thus, the inventory of pending claims dropped while claims in the non-inventory category increased.

Figure 1 illustrates the shift in the claims processing workload for about the last three years.

Figure 1. VBA Workload Data
(*as of January 31, 2014*)

	End of FY2011 (30 Sep 11)	End of FY2012 (30 Sep 12)	End of FY2013 (30 Sep 13)	End of FY2014 (30 Sep 14)
■ Rating	810,455	846,590	722,013	515,621
■ Non-Rating	306,848	438,141	452,214	439,095
■ RO Appeals	227,609	239,999	252,253	267,857

A key point of interest is the increased appeals inventory resulting from VBA's focus on eliminating the claims processing backlog. OIG is committed to performing more work in this area until a clear and decisive accounting of the claims workload is available and the processes are transparent to VA decision–makers.

Further, OIG is concerned that the pressure to complete claims under the special initiative has led to a high number of errors. Claims are typically reviewed by VBA's internal quality control staff at the VA Benefit Office, as well as a sample of claims reviewed by the Systematic Technical Accuracy Review (STAR) team. However, work under the special initiative was expected to be completed within 60-days at the direction of the Under Secretary. As such, VA Benefit Office management advised that the quality of the decisions made in processing these claims was not assessed. VA Benefit Office staff also advised OIG that neither internal quality reviews nor STAR reviews were undertaken for claims processed as part of this special initiative until after the initiative was completed. The pressure to meet the 60-day deadline led to incorrect processing of as many as one-third of the claims processed under the special initiative. Errors included insufficient evidence to make a decision, incorrect evaluation of a Veteran's disabilities, incorrect effective dates for payment, not deciding on all issues in the claim, and not properly notifying the Veteran of a decision. Despite the fact that the special initiative resulted in over 62,000 claims processed in 2 months, the net gain might not be what was expected.

Another aspect of VBA's challenge to ensure accurate claims payments is ensuring Veterans are not concurrently compensated when performing their Reservist or National Guard obligations. Federal regulations prohibit Reservists and National Guard members from concurrently receiving VA compensation or pension benefits along with military reserve pay, also known as "drill pay." OIG determined VBA did not timely process VA benefits offsets when drill pay was earned concurrently. According to VBA, higher priorities, such as processing compensation claims, took precedence over processing offsets. VBA also lacked an adequate tracking mechanism, a current cost-benefit analysis, and SAO reviews of the drill pay offset process. VBA's rate of unprocessed offsets reported in OIG's 1997 audit was almost the same as the rate in the current review. Therefore, VBA has not processed hundreds of millions of dollars in offsets since OIG's previous report. VBA could recover millions in improper payments using the offset process. OIG's 2014 audit estimated that VBA could recover approximately $623.1 million in improper payments.

VA Program Response
Estimated Resolution Timeframe: 2015
Responsible Agency Official: Under Secretary for Benefits

Completed 2014 Milestones

As part of its largest transformation in history to fundamentally redesign and streamline the way it delivers benefits and services, VBA is now electronically processing over 90 percent of its claims inventory in a new digital environment, VBMS. Combined with such initiatives as increased brokering of claims, centralized mail, access to the Social Security Administration's Government Services Online system, electronic service treatment records, and mandatory overtime, VBA completed a record-breaking 1.3 million disability rating claims in FY 2014, compared to the previous record of 1.17 million claims in FY 2013. In conjunction with recent training, such as the Specialized Adjudication Review and Supervisory Technical Analysis of Data courses, claim-level accuracy increased from 83 percent in June 2011 to 90.4 percent as of September 30, 2014; accuracy is 96 percent at the issue-level.

Although VBA focused on its priority goal to eliminate the disability rating claims backlog for Veterans who have been waiting the longest, and is achieving record-breaking levels of production, VBA did not ignore non-rating claims. VBA continued to complete more non-rating work each year; however, as more rating claims are processed, non-rating receipts increase. VBA completed 2.7 million end products beyond the record breaking rating-related work accomplished in FY 2014, an increase of approximately 170,000 over FY 2013. VBA is now handling non-rating workload such as dependency claims by using contractors, National Call Centers, and the Rules-Based Processing System, which automatically processes such claims.

As of September 30, 2014, VBA's pending workload included: 515,621 claims awaiting a rating decision, 439,095 non-rating claims, and 267,857 appeals at regional offices.

VBA's "Oldest Claims" initiative was launched in April 2013 and ended on November 8, 2013. During this timeframe, VBA rendered over 500,000 rating decisions to Veterans who had been waiting the longest for a decision on their claim. Of those, about 14,800 (less than 3 percent) of the decisions rendered during this timeframe were "provisional" rating decisions. Of these decisions, 10,277 (71 percent) granted service connection for at least one condition.

On June 2, 2014, VBA directed a complete review of all provisional rating decisions to be concluded by September 1, 2014, or at least one year after the provisional rating was issued (whichever was later), unless additional evidence needed to correctly decide the claim remained outstanding. With the exception of five cases pending at the Board of Veterans' Appeals, regional office Quality Review Teams reviewed all provisional decisions to determine if the ratings were completed properly, if a final rating was warranted, or if further development was necessary.

VBA updated the Traumatic Brain Injury Training and Performance Support System (TPSS) module, which is required for all rating personnel assigned to Special Operations, Appeals, or Quality Review Teams. In July 2014, VBA reminded RO personnel when to rate co-morbid mental disorders separately from other TBI residuals.

In December 2013, VA corrected a defect in the Special Monthly Compensation Calculator that impacted the basic rate in cases at the SMC R1 and higher level.

VBA redistributed resources to focus on processing drill pay waivers and offsets. In May 2014, VBA modified the existing internal controls Systematic Analysis of Operations (SAO) requirement for regional offices to also include an analysis of drill pay matching activities to better monitor these reviews, identify existing or potential problems, and evaluate the effectiveness of any corrective actions taken. All regional offices will complete this on their standard, annual SAO completion schedule.

VBA implemented an aggressive plan to ensure appropriate action is taken on all temporary 100 percent disability evaluations either within 180 days of their inclusion on the temporary 100 percent report, or upon the maturation of the future examination indicator that is established when VA awards a Veteran a temporary 100 percent evaluation.

OIG Sub-Challenge #2B: Improving the Management of VBA's Fiduciaries (VBA)
OIG substantiated allegations of mismanagement at VBA's Eastern Area Fiduciary Hub, including systemic misuse of beneficiary funds. The Fiduciary Program oversees the benefits paid to Veterans, or family members, who are incapable of handling their financial affairs either because of injury, disease, infirmities of advanced age, or being under 18 years of age. Under the program, VA appoints a fiduciary (individual or entity) to receive and disburse VA benefits on behalf of the beneficiary. As of August 2013, the

Fiduciary Program reported providing oversight of fiduciaries responsible for more than 150,000 beneficiaries. Field examinations are 'spot-checks' by VBA officials to ensure beneficiaries are being cared for as expected and that fiduciaries are doing their jobs as required.

OIG noted VBA leaders failed to take the required actions when misuse of beneficiary funds was identified. OIG determined VBA staff was negligent in its oversight of the fiduciaries' misuse of funds. Further, actions (when taken) were not within standards—in some cases VBA took no action when misuse occurred. As a result, VA could be responsible for repayment of approximately $944,000 to the affected beneficiaries.

In addition, OIG substantiated VBA had a large backlog of pending field examinations, specifically at this Fiduciary Hub. More than 11,000 (69 percent) of 16,000 pending field examinations had not been completed within the 45 days established in its timeliness standards. As a result, the general health and well-being of beneficiaries are placed at increased and unnecessary risk. OIG also identified more than 3,200 pieces of mail that had yet to be processed and exceeded processing timeliness standards at this Fiduciary Hub. Some of these documents were time-sensitive and critical to the Veterans' receipt of the proper health care and benefits. Delays in processing the 3,200 pieces of mail ranged from 11 to 486 workdays, with an average delay of 30 workdays. Without effective management of incoming mail, those receiving VA benefits could be negatively affected.

VBA beneficiary funding managed by the Fiduciary Program are at risk for fraud based on program weaknesses. From April 1, 2009, to March 31, 2014, OIG conducted 146 investigations involving fiduciary fraud and arrested 79 fiduciaries and/or associates. OIG investigations highlight program vulnerabilities that are exploited by unscrupulous individuals at the expense of VA beneficiaries.

Three recent examples illustrate the effective approach OIG has in combating fiduciary fraud by pursuing prosecution and court-ordered restitution against those individuals diverting funds intended for VA beneficiaries. In the first example, an OIG investigation revealed that a VA-appointed fiduciary diverted for his own use $8,208 of his father's VA benefits. In April 2013, after pleading guilty to charges relating to his theft, the subject was sentenced to 20 months' incarceration and ordered to pay $8,208 in restitution. In the second example, an OIG investigation revealed that a VA-appointed fiduciary, while employed with a professional financial services company, diverted $17,000 in funds intended for the Veteran. The fiduciary was arrested and in February 2014 agreed to a pretrial diversion agreement requiring repayment of $17,000 in restitution to the Veteran. In the last example, an OIG investigation revealed that a VA-appointed fiduciary diverted $26,108 of a Veteran's funds for his own personal use. The subject was indicted, arrested, and in December 2013, agreed to a pretrial diversion agreement requiring him to pay $26,108 in restitution to the Veteran.

VA Program Response
Estimated Resolution Timeframe: 2015
Responsible Agency Official: Under Secretary for Benefits

Completed 2014 Milestones

VBA has made significant changes to the fiduciary program to improve the services it provides to beneficiaries who cannot manage their VA benefits. VBA improved the processing of fiduciary matters when it deployed a new fiduciary workload management system, the Beneficiary Fiduciary Field System (BFFS), in May 2014. BFFS provides the ability to track, manage, and report on the status of misuse of benefits by fiduciaries throughout the entire process, from allegation through debt collection. VBA centrally monitors the information in BFFS to ensure oversight of fiduciaries and confirm field compliance with program policies and procedures.

In FY 2014, VBA took steps to improve the identification and prevention of misuse of beneficiary funds. VBA developed new misuse training designed for the specific responsibilities of field employees. This mandatory training course will be deployed during the first quarter of FY 2015. BFFS automates the misuse protocol and ensures that field personnel address all steps in the standardized process. In addition, in November 2013, VBA implemented new procedures (VBA Fiduciary Misuse Debt Processes) to ensure that field employees initiate debt collection from fiduciaries who misuse the benefits they were entrusted to protect. VBA also made it easier to track fiduciary debts in both the Centralized Administrative Accounting Transaction System (CAATS) and the Financial Management System. The new BFFS system includes data fields to monitor and report on debt establishment, payments received, and reissued benefits. BFFS provides this data regarding fiduciary activities occurring after deployment of the system, and fiduciary program personnel will use it to compile and maintain misuse case reports.

In February 2014, VBA deployed an "Accounting Wizard," which it later incorporated in BFFS, for Legal Instrument Examiners to use when auditing accountings. The tool improves accounting auditing accuracy, reduces common processing errors, and improves efficiency by automatically generating correspondence and accounting packages.

VBA has implemented a plan for field examiners at the Eastern Area Fiduciary Hub (EAFH) to process both initial appointment and fiduciary-beneficiary field examinations timely. In March 2014, the EAFH implemented a plan to eliminate its backlog of field examinations by the end of FY 2015. The EAFH also created new standard operating procedures to process all incoming hub mail based on the date of its initial receipt at VA.

In its first major update to the fiduciary regulations since the 1970s, VA prescribed new rules for all aspects of the program's administration, specifically the rights of beneficiaries and the roles of VA and fiduciaries. On January 3, 2014, VA published the proposed regulations in the Federal Register (79 Fed.Reg.429). Final regulations are under development, and VA anticipates completion by the end of December 2014.

In FY 2014, VBA established promulgation teams in the Fiduciary Hubs. These teams issue final decisions regarding beneficiaries' ability to manage their VA benefits, initiate monthly benefit payments to fiduciaries on behalf of beneficiaries, and release beneficiaries' retroactive payments to their fiduciaries. This new process ensures timely release of benefits to beneficiaries and eliminates hand-offs between VBA's Pension Management Centers, Veterans Service Centers, and Fiduciary Hubs.

OIG Sub-Challenge #2C: Improving Access to Benefits for Rural Veterans (NCA)

Congress expressed concerns that NCA is not adequately serving the Nation's Veterans residing in rural areas. Some concerns included identifying the number and geographical areas where rural Veterans are unserved, assessing gaps in service between rural and urban Veterans, recommending appropriate policy on new national cemeteries to serve rural areas, and developing a national map showing locations and number of unserved Veterans. NCA's Rural Veterans Burial Initiative does not adequately identify the number and percentage of Veterans residing in rural areas who do not have reasonable access to a burial option.

OIG determined that prior to the planned NCA Rural Veterans Burial Initiative, NCA was not providing reasonable access to a burial option for approximately 302,000 (34 percent) of about 888,000 rural Veterans in the initiative's 8 targeted states. When completed, NCA's Rural Veterans Benefits Initiative was expected to decrease the total number of unserved rural Veterans by nearly 120,000 (40 percent) to about 182,000 in these 8 states.

OIG's review indicated NCA could not adequately identify the number and percentage of unserved Veterans who reside in rural areas because it uses a methodology that identifies Veterans residing within a 75-mile radius of a national, VA-funded state or tribal organization Veterans' cemetery, and does not classify Veterans as rural, urban, or any other designation. In addition, NCA leadership lacked a specific performance measurement that evaluated NCA's progress towards increasing service to rural Veterans. As a result, NCA cannot evaluate the level of service provided to Veterans and their families residing in rural areas throughout the eight targeted states and the entire Nation. Without this specific Veteran population information, NCA cannot adequately report to Congress and other stakeholders its performance serving rural Veterans.

VA Program Response
Estimated Resolution Timeframe: 2015
Responsible Agency Official: Acting Under Secretary for Memorial Affairs

Completed 2014 MMC Milestones

With the establishment of 13 new national cemetery facilities currently planned, NCA will serve 96 percent of the Veteran population with access to a burial option. While NCA cannot quantify the percent of the Veteran population that may be identified as rural, it is clear that a substantial number of rural Veterans have been and will be provided access to a burial option using our current methodology of locating cemeteries in areas of greatest need based on county level Veteran population. In order to provide more specific Veteran population information, NCA concurred with all three recommendations in the OIG report and began work in late FY 2014 to address these recommendations. NCA is developing new analytical tools, including a new database, which will enable NCA to "drill down" and better identify and analyze the level of service VA provides to veterans in rural areas. These tools will also enable NCA to develop performance measures specific to the level of service provided to rural veterans and to develop a national map that shows the distribution of rural veterans who are considered to be served by a burial option within a reasonable distance of their residence. VA expects to complete the work to address these recommendations by the middle of FY 2015.

Planned FY 2015 Milestones with Estimated Completion Quarter

1) Develop a methodology to identify the number and percentage of served and unserved rural veterans throughout the Nation – First Quarter FY 2015
2) Produce a national map showing the areas and number of served and unserved rural veterans – First Quarter FY 2015
3) Establish performance goals for the percentage of rural and urban veterans served – Second Quarter FY 2015

OIG Sub-Challenge #2D: Management and Administration of Education Benefits (VBA)

Since its inception, the Post 9/11 G.I. Bill education assistance program has been difficult for VA to manage successfully. OIG evaluated VBA's administration of Post 9/11 G.I. Bill monthly housing allowance and book stipend payments. There are significant risks in the program due to its size and the amount of the budget for education benefits delivery. During calendar year 2013, VBA paid about $5.4 billion in housing allowances and book stipends to approximately 789,000 students. OIG found students generally experienced payment processing delays in their housing allowance and book stipends. In addition, VBA improperly paid book stipends that were

not collected from students after they withdrew from courses. Thus, OIG estimated students annually experience about $60.8 million in payment processing delays and about $41 million in improper or inaccurate payments.

Inaccurate filings from the students caused significant delays; however, VBA did not effectively monitor schools to ensure they timely submitted accurate enrollment information. VBA staff processing errors and computation problems in the automated claims processing system also caused inaccurate payments.

VA Program Response
Estimated Resolution Timeframe: 2015
Responsible Agency Official: Under Secretary for Benefits

Completed 2014 Milestones

Since deploying the Long Term Solution end-to-end automation feature for processing education claims in September 2012, VBA significantly improved the timeliness of Post-9/11 GI Bill payments. Prior to this deployment, VBA faced timeliness challenges during the 12-month period ending March 31, 2013, covered by the OIG report. During FY 2014, Veterans received their Post-9/11 GI Bill payments and eligibility determinations quickly as original claims were processed in an average of of 16.7 days and supplemental claims in an average of 5.9 days. VBA reviewed 43 cases that OIG identified with improper payments, as defined by the Improper Payments Elimination and Recovery Act, and took action to appropriately recover these debts.

VBA addressed the timeliness of enrollment submissions by schools by determining and establishing a timeliness standard for submitting initial enrollment certifications. The approved standard was published in the School Certifying Official (SCO) Handbook and is reviewed during compliance visits with the SCO. In addition, on August 20, 2014, VBA's quarterly webinar reiterated the availability and importance of the online SCO training and the importance of schools submitting timely and accurate enrollment certifications.

VBA reviewed the current methodology for quality reviews to determine the feasibility to track and report by document type. A new methodology has been identified to track enrollment documents by type within the sample population. VBA will implement the new methodology beginning FY 2015.

In addition, VBA issued a training reminder to the education liaison staff to regularly update school information in the Web Enabled Approval Management System and include accurate full-time equivalency information in the schools' profiles. During the week of August 4, 2014, VBA also addressed this topic during a training conference.

OIG CHALLENGE #3: FINANCIAL MANAGEMENT
-Strategic Overview-

Sound financial management represents not only the best use of limited public resources, but also the ability to collect, analyze, and report reliable data on which resource use and allocation decisions depend. VA's failure in some instances to ensure accurate payments to Veterans through its range of compensation, education, and medical service programs is one way in which improper payments occur. VA could also improve accuracy in initiating and monitoring Workers' Compensation Program (WCP) claims to return employees to work when they are medically able. Addressing these and other issues related to financial systems, information, and asset management would promote improved stewardship of the public resources entrusted for Departmental use.

For the 15th consecutive year, OIG's independent auditors provided an unqualified opinion on VA's FYs 2013 and 2012 consolidated financial statements (CFS). VA has demonstrated improvement in one aspect of its financial stewardship. VA took sufficient corrective action to eliminate the one significant deficiency concerning undelivered orders that was cited the previous year. However, the auditors identified one material weakness: information technology security controls, a repeated condition. The auditors also provided to VA management officials several observations and recommendations concerning internal control weaknesses that did not rise to the level of significant deficiency or material weakness for purposes of the Independent Auditors' Report issued on November 26, 2013. OIG considers the observations and recommendations to be informative, significant, and worthy of management's attention and corrective action. The independent auditors will follow up on these internal control and compliance findings and evaluate the adequacy of corrective actions taken during the FY 2014 audit of VA's consolidated financial statements.

OIG Sub-Challenge #3A: Compliance with the Improper Payments Elimination and Recovery Improvement Act (OM)

OIG conducted the FY 2013 review of VA's compliance with the Improper Payments Elimination and Recovery Act (IPERA). VA reported $1.1 billion in improper payments in its FY 2013 Performance and Accountability Report (PAR). OIG's assessment of VA's compliance with IPERA for FY 2013 is based on FY 2012 data as reported by VA. OIG found VA met five IPERA requirements for FY 2013 by publishing a PAR, performing risk assessments, publishing improper payment estimates, providing information on corrective action plans, and reporting on its payment recapture efforts. VA also implemented a new risk assessment process in FY 2013 across all of its programs.

VA did not comply with two of seven IPERA requirements for FY 2013. VHA reported a gross improper payment rate of greater than 10 percent for one program and did not meet reduction targets for two programs. This represents an improvement over FY 2012 when VA did not comply with four of the seven IPERA requirements. Nonetheless, OIG identified areas for improvement in VBA's IPERA reporting. VBA underreported improper payments for its Compensation program. Test procedures for the Compensation program and one Education program also did not include steps needed to identify all types of improper payments. OIG recommended the Under Secretary for Health (USH) implement the corrective action plan included in the PAR to reduce improper payments for the State Home Per Diem (SHPD) Program, and develop achievable reduction targets for that and Beneficiary Travel programs. OIG also recommended the Under Secretary for Benefits (USB) ensure thorough procedures for testing sample items used to estimate improper payments for the Compensation and Post 9/11 G.I. Bill programs.

VA Program Response
Estimated Resolution Timeframe: December 2016
Responsible Agency Official: Under Secretary for Benefits and Under Secretary for Health

VHA's Chief Business Office (CBO) has started to implement the corrective action plan included in the 2013 Performance Accountability Report to reduce improper payments for the SHPD program. A new database was established to capture and retain Veteran admission and payment documentation. Veterans Affairs Medical Center staff were consulted to mitigate application (10-10SH) and other documentation errors to ensure compliance with SHPD program requirements. Audit staff was increased by five personnel to measure improper payments. A system-wide electronic tracking tool has been implemented, which calculates the daily cost of care and validates payment accuracy.

Deployment of an automated 10-10SH application to ensure completion of required fields and enhance transmission is still in progress. Revision of the SHPD program handbook to facilitate standardization of program requirements is also in progress.

VBA re-evaluated and expanded the number of Compensation payment attributes tested for FY 2014 improper payment reporting (FY 2013 data testing), which resulted in a more thorough test plan. VBA improved QA measures, which included multiple levels of supervisory review and validation of identified improper and random proper payments prior to submission.

VBA's Education Service reviewed the current methodology for quality reviews to determine the feasibility to track and report by document type. A new methodology has been identified to track enrollment documents by type within the sample population. Education Service will implement the new methodology beginning in FY 2015. Additionally, VBA issued a training reminder to the education liaison staff to regularly

update school information in the Web Enabled Approval Management System, which includes accurate full-time equivalency information in the schools' profiles. During the week of August 4, 2014, VBA also addressed this topic during a training conference.

OIG Sub-Challenge #3B: Ensuring Accurate Initiation and Effective Monitoring of Workers' Compensation Program Claims (VHA)

VHA has not improved its Workers' Compensation Program (WCP) claims management since OIG's prior audits. OIG identified issues with claims initiation and monitoring similar to those disclosed in the 2004 and 2011 audit reports. Specifically, WCP case files lacked initial or sufficient medical evidence to support connections between claimed injuries and medical diagnoses. As such, OIG estimated VHA inaccurately initiated about 56 (7 percent) of 793 WCP claims. In spite of the 2011 recommendations, VHA still lacked standard guidance and a clear chain of command to ensure compliance with WCP statutory requirements and VA policy. As a result, VHA risks paying unnecessary costs for inaccurately initiated claims.

WCP claims also were not consistently monitored to timely return employees to work. VHA WCP specialists did not consistently monitor files, make job offers, or take actions to detect fraud. This occurred because of inadequate oversight, misinterpretation of requirements, and a lack of staff. VHA also lacked a fraud detection process. As a result, VHA risks continuing improper payments to ineligible claimants. OIG projected 489 (61.7 percent) of 793 active claims were inadequately monitored. Overall, OIG estimated VHA could reduce WCP costs over the next 5 chargeback years by about $11.9 million through improved claims initiation and $83.3 million by increasing efforts to return medically-able staff to work. In total, opportunities exist for VHA to reduce WCP costs by about $95.2 million with improved claims management. OIG also identified $2.3 million in unrecoverable payments.

OIG recommended the USH ensure clear oversight, standard guidance, adequate staff, and fraud detection procedures to improve VHA's WCP case management.

VA Program Response
Estimated Resolution Timeframe: May 2015
Responsible Agency Official: Under Secretary for Health

Completed Fiscal Year 2014 Milestones

Initial documentation of case files is being fully addressed by actions described here. In July 2013, VHA National Workers' Compensation Program (the program office) and the Center for Engineering and Occupational Safety and Health developed and published the VHA Workers' Compensation (WC) Guidebook, which includes processes and procedures to help VHA VISN and facility WCP staff effectively implement, staff, and manage a local WCP. The VHA WC Guidebook contains sections on *Basic Requirements of a Claim, WCP Staff Responsibility*, and *Questionable Claims*, which

outline the required steps to evaluate the validity of a claim. In April 2014, the Program Office trained facility WCP staff on Case File Management and File Maintenance focused on case file documentation standards. In July 2014, the program office developed a Program Bulletin to provide instruction and a case file review checklist to assist the facility WCP staff understand documentation standards and provide a tool to ensure required documents are present in a case file.

VHA developed processes and monitors to consistently track timely return to work. The VHA WC Guidebook also contains sections on *Return to Work* and *Permanent Job Offers*, which outline the required steps to appropriately return injured employees to work. In October 2013, the program office established a standard operating procedure (SOP) and implemented a Memorandum of Understanding (MOU) to initiate a Quality Case Management (QCM) process to evaluate local WCP activities including claims initiation, initial case management, appropriateness of claims, controversies and disputes; and return-to-work processes. Deficiencies are addressed with the local WCP staff responsible for the work. Training is provided during case review meetings and through communications such as Program and Technical Bulletins communicated to all WCP staff. In July 2014, the program office conducted two WC Case Review Lync Meetings with local WCP staff on effective return-to-work processes.

Responsibility for policy, planning, training, and oversight and compliance of the VHA National WCP is delegated to the program office. In FY 2013, the program office developed a standardized protocol to perform oversight through site visits of local WCPs and through the QCM MOU. In FY 2014, the program office conducted 14 site visits, trained VISN WCP Coordinators in the site visit process and funded two additional site visits in each VISN. Ten additional site visits have been conducted by VISN WCP Coordinators. In FY 2014, the program office conducted a staffing analysis and identified VHA facilities that are not meeting the 1:1200 Fully-time Employee Equivalent (FTEE) ratio outlined in the Human Resources Delivery Model (HRDM) 2010 approved by the Under Secretary for Health. The program office discusses staffing during each WCP site visit and periodically monitors local WCP staffing vs. employee FTEE.

The VHA WC Guidebook also refers local WCP staff to the "Office of Inspector General's (OIG) Protocol Package For Veterans Integrated Service Network Workers' Compensation Program Case Management and Fraud Detection" (OIG Report: 9D2-G01-002, Publication Date: April 14, 1999) as the standard for evaluating cases for potential fraud and referring cases to OIG. This report can be accessed at the following link: http://www.va.gov/oig/52/reports/1999/9D2-G01-002.pdf. In FY 2014, the program office developed a streamlined checklist for local WCP staff to evaluate characteristics of potential fraud.

OIG CHALLENGE #4: PROCUREMENT PRACTICE
-Strategic Overview-

VA operations require the efficient procurement of a broad spectrum of services, supplies, and equipment at national and local levels. OIG audits and reviews continue to identify systemic deficiencies in all phases of the procurement process, including planning, solicitation, negotiation, award, and administration. OIG attributes these deficiencies to inadequate oversight and accountability.

Recurring systemic deficiencies in the procurement process, including the failure to comply with the Federal Acquisition Regulation and VA Acquisition Regulation, and the lack of effective oversight increase the risk that VA may award contracts that are not in the best interest of the Department. Further, VA risks paying more than fair and reasonable prices for supplies and services and making overpayments to contractors. VA must improve its acquisition processes and oversight to ensure the efficient use of VA funds and compliance with applicable acquisition laws, rules, regulations, and policies.

VA uses a Strategic Capital Investment Plan (SCIP) to prioritize its major construction, minor construction, non-recurring maintenance, and lease projects. SCIP's objective is to produce an annual consolidated list of capital projects that significantly reduce identified performance gaps in Veterans' access, workload and utilization, safety, space, and facility conditions over a 10-year period. SCIP is used to ensure that VA's strategic performance planning efforts address the needs of VA's three Administrations—VHA, VBA, and NCA.

The OIG has completed reviews that disclosed a pattern of ineffective VA capital planning and asset management. OIG reports have shown that VA has not effectively executed authorized construction and lease projects to ensure they are completed on-time and within budget.   For example, VA lacks assurance that it is timely and cost-effectively acquiring health care facilities to serve the needs of its Veteran population. Further, VA has not effectively managed the capital asset planning process to ensure that minor construction projects are not combined or otherwise significantly changed after approval.

OIG Sub-Challenge #4A: Improving Health Care Center Leasing (OALC, VHA)

In October 2013, OIG reported in its *Review of VA's Management of Health Care Center Leases* that VA's management of timeliness and costs in the Health Care Center (HCC) lease procurement process was ineffective. As of August 2013, only four of seven leases had been awarded and no HCCs had been built, despite VA's target completion date of June 2012. Congress authorized approximately $150 million for the HCC facility activations. OIG found the following deficiencies:

- Lack of Guidance – VA did not meet the aggressive milestones it set for HCC activation and occupancy due to a lack of specific guidance for this new initiative. The existing VA handbook did not cover lease projects with such high annual costs as those of the new HCCs.
- Inaccurate Milestones – VA used identical milestones for completing the seven HCCs even though the projects varied in size and budget. VA planned 32 total months for completing the   seven HCCs, with annual lease costs ranging from $3.8 million to $16.2 million. Also, VA used a two-step process that separated land acquisition and contractor selection into different phases and should have lengthened each overall lease acquisition by 8 to 9 months.
- Lack of Documentation – Documentation was unavailable to support whether VA adequately assessed the feasibility of accomplishing the HCCs in the aggressive 32-month time frame promised. Given the lack of progress to date and the inadequate planning documentation, it will take far more time than Congress anticipated for VA to award and activate the seven leases.
- Lack of Central Tracking – VA could not provide accurate information on HCC spending into April 2013. According to VA officials, central cost tracking was not in place to ensure transparency and accurate reporting on all HCC expenditures. During OIG audit work, VA officials provided various estimates, ranging from about $4.6 million to $5.1 million, on the costs to prepare for HCC lease awards, but there was not sufficient evidence to provide reasonable assurance that this figure represents a complete accounting of HCC costs. Until effective central cost tracking is instituted, expenditures to acquire the HCC leases will remain unclear.

OIG made recommendations to establish adequate guidance for management of the procurement process of large-scale build-to-lease facilities, provide realistic and justifiable timelines for HCC completion, ensure HCC project analyses and key decisions are supported and documented, and establishment of central cost tracking to ensure transparency and accurate reporting on HCC expenditures.

VA's Program Response
Estimated Resolution Timeframe: 2014
Responsible Agency Official: Principal Executive Director, OALC/Under Secretary for Health, VHA

Completed Fiscal Year 2014 Milestones

Beginning in FY 2015, all leases including Health Care Center leases, regardless of expansion amount, are required to be submitted through SCIP process. This Department-wide SCIP process was developed to improve the capital planning process with the goal of improving the delivery of services and benefits to Veterans, of investing in VA's future, and of improving the efficiency of operations. This process integrates various capital investment planning efforts in VA for all of the following: 1) Major Construction, 2) Minor Construction, 3) Leasing, which includes all new or renewal

medical, non-medical, program office leases [of any annual cost and/or square footage], Vet Centers [regardless of the funding source or their delegated authorities], 4) VHA Non-Recurring Maintenance, 5) NCA Non-Recurring Maintenance, 6) Enhanced-Use Leasing, and 7) Sharing or other formal Agreements.

Non-capital solutions to gaps are also included in the process requiring a brief description in the Strategic Capital Assessment and a designation of that type of solution in the Action Plan only. The end result is a long-range plan of capital investments and resource levels needed that are based on gaps identified at the corporate level (top-down) and at the local level (bottom-up) across the Department. SCIP is fully integrated into VA Planning, Programming, Budgeting, and Evaluation process. This strategic planning approach conforms to established 2015 budget deadlines. The SCIP process is robust, transparent, and data-driven, resulting in a fully integrated prioritized listing of all proposed capital investments that are tied to the VA Strategic Plan. This process is designed to capture the full extent of VA infrastructure and service gaps and the resources needed to address the deficiencies and gaps. Planning is based on finding the ideal way to deliver services while considering the reality of current locations. The SCIP process employs two main components: action plans – which include a gap analysis, strategic capital assessment, and long-range capital plan – and business cases. Strategic capital assessments and long-range capital plans are evaluated by senior VA officials. Projects approved for 2015 require business cases for prioritization purposes.

In addition to the SCIP process, VHA directed VA Medical Center Chief Engineers to request Lease Accounting Classification Codes for all SCIP approved leases for purposes of central cost tracking and reporting on HCC expenditures.

VA is in the process of updating Veterans Affairs Handbook 7815, Acquisition of Real Property by Lease and by Assignment from the General Services Administration, to provide the most current guidance available for the leasing process and it is anticipated it be published by the end of Fiscal Year 2014.

OALC evaluated the project schedules and re-baselined them, creating Integrated Master Schedules (IMSs) that provide realistic timeframes to accompany lease milestones. These time lines were first presented in the VA Fiscal Year 2014 Budget submission and will continue to be refined. These schedules include the flexibility for one-step or two-step procurements with all associated milestones. The LBOPCDG will also contain lease milestones and the formalization of the process for selecting a one-step vs two-step procurement already being used for prospectus projects. VA will develop project-specific IMSs that utilize the milestone durations and will adhere to these from procurement inception until the first patient is seen.

Publication of the LBOPCDG may be delayed pending the final outcome of the lease delegation of authority to include any new required processes or procedures.

OIG Sub-Challenge #4B: Improving Oversight of Minor Construction Projects (VHA)

In OIG's December 2012 report *Review of VHA's Minor Construction Program*, OIG reviewed the organizational structure, procedures, and financial controls VHA used to manage its minor construction projects. OIG reported that VHA's Minor Construction Program lacked adequate internal controls for oversight of individual projects as a means of ensuring proper use of minor construction funds. OIG found that VHA did not ensure that medical facility funding was consistently used to supplement minor construction projects. In addition, VHA did not ensure adequate monitoring of minor construction project schedules and expenditures.

VHA integrated design and construction work for 7 of 30 minor construction projects into 3 combined projects that exceeded the $10 million minor construction spending limit. As a result, OIG reported that VHA violated the Anti-Deficiency Act in five of seven projects. OIG also found that 3 of 30 projects were inappropriately supplemented with medical facility funds and project monitoring was ineffective. A third combined project was in the process of being awarded; however, when the OIG notified VHA of a potential Anti-Deficiency Act violation, VHA suspended these projects during the award process. This improper use of minor construction funding occurred because Office of Capital Asset Management and Support (OCAMS) and VISN officials did not effectively oversee project execution and OCAMS fully funded individual projects prior to medical facilities developing contract solicitations for design and construction.

Once funding was provided to medical facilities, OCAMS and VISNs were dependent on the facilities to self-report changes in project scope during the contract solicitation process. This resulted in OCAMS and VISNs not being fully aware of project scope changes in the contract solicitation process for design and construction. According to an OCAMS official, VHA was strongly encouraged to outsource design and construction contract management to the U.S. Army Corps of Engineers (USACE) at medical facilities where contracting resources were scarce. USACE managed 13 of the 30 projects reviewed.

Typically, after OCAMS officials approved minor construction projects, USACE managed project execution. USACE was responsible for integrating the design and construction of five of the seven minor construction projects identified as being improperly combined into two major construction projects. According to VHA officials, OCAMS maintained no control over project scope once funding was allotted and did not even review the construction contract solicitation prepared by the USACE's contracting officer. Further, at one VA medical facility, project engineers responsible for the facility's minor construction projects did not have copies of the USACE contracts signed on the medical facility's behalf. This condition heightened construction risks and limited oversight and control of construction costs and change orders.

OIG's report on medical facility funding and minor construction projects also disclosed that 3 of the 30 minor construction projects reviewed were supplemented with medical facility funding. These three projects received $24.4 million in minor construction and $14.6 million from medical facility funds. When adding funding from both appropriations together, two of the three projects exceeded the $10 million spending limit for minor construction projects. VA medical facilities did not follow non-recurring maintenance (NRM) policy limiting the use of medical facility funding to supplement minor construction projects and limiting renovation projects to $500,000. OCAMS provided guidance in September 2008 and again in September 2010 to VA medical facilities on the allowable uses of minor construction and NRM funds based on draft handbooks that had not been officially issued.

These draft handbooks defined the limits of minor construction projects and expanded NRM to include projects that renovated and modernized existing facility square footage between $500,000 and $10 million. OCAMS and VISN officials did not routinely monitor minor construction project schedules and financial performance. Rather, OCAMS assigned responsibility to VA medical facility project engineers to monitor the projects and notify OCAMS if significant changes occurred or additional project funding was required. The draft minor construction program handbook required OCAMS to create Minor Program Review Teams to perform quarterly reviews of project schedules and financial performance at selected sites. However, OIG found no evidence that the Minor Program Review Teams were formed or that internal program reviews were performed. As a result, VHA lacked the ability to effectively identify projects with cost overruns, significant schedule slippages, or significant construction scope changes in a timely manner and take corrective actions when necessary.

OIG recommended the USH publish Minor Construction Program policy, develop procedures to ensure projects are executed within their approved scope, and determine whether other combined minor construction projects violated the Anti-Deficiency Act. VHA also needed to implement a mechanism to ensure medical facility funding is not used to supplement minor construction projects, ensure program reviews are performed, and strengthen project tracking reports. Without effective capital asset management, VA officials have not been able to ensure authorized leased projects are completed timely and within budget, minor construction projects are not combined or otherwise significantly changed after approval, leased facilities are the right size and the right location to ensure they are fully utilized once completed, or authorized lease projects are completed timely and within budget. Until these issues are addressed, VA will continue to lack assurance that it is timely and cost-effectively acquiring health care facilities to serve the needs of Veterans.

VA's Program Response
Estimated Resolution Timeframe: 2014
Responsible Agency Official: Under Secretary for Health

Completed Fiscal Year 2014 Milestones

In November 2012, VHA Office of Capital Asset Management Engineering and Support (OCAMES) published VHA Handbook 1002.02, *Minor Construction Program*, which establishes the procedures and responsibilities for the management of the Minor Construction Program.

In the past two years, OCAMES has expanded its service to VHA facilities by establishing the compliance team of engineering personnel to assist the Capital Support section in performing site visits and working closely with facilities on construction projects. To ensure minor construction projects are executed within their approved scope, VHA's OCAMES has begun reviewing all minor construction design or construction funding transaction requests, comparing the latest design or construction documents to approved scopes of work based on the approved application or change in scope memo prior to funding transaction request approval.

In addition, beginning in fiscal year 2014, the OCAMES added a new Veterans Integrated Service Network (VISN) Director Performance Measure to ensure that Project Tracking Reports are updated monthly, as appropriate. These reports are also being shared with VISN Capital Asset Managers on a monthly basis to ensure a proactive stance in managing outlier issues and missing data.

OCAMES ensures medical facility funding is not used to supplement minor construction projects. This has been done by a team approach with the Minor Construction Program Manager and the Capital Support section, which routinely review high risk minor construction projects greater than $9.5 million, NRM and Clinical Specific Initiative (CSI) projects with similar titles, and minor construction projects contracted to the Army Corps of Engineers. If augmentation is identified, appropriate corrective actions are instructed to the VISN and medical center staff. If appropriation or authorization violations appear to have occurred, the OCAMES Director sends the report to Office of General Counsel (OGC) for an official opinion and follow-up action.

With respect to Office of Inspector General Report 12-03346-69, *Review of the Minor Construction Program* (December 2012), OCAMES staff reviewed the seven potentially problematic minor construction projects to assess whether projects were combined into major construction projects. As a result of this review, OCAMES has worked with OGC, VISN and facility staff to provide guidance and consultation to ensure that six of the seven projects identified did not exceed the $10 million Minor Construction threshold. VHA identified that a violation on one of the projects did occur, and will take appropriate action.

OIG CHALLENGE #5: INFORMATION MANAGEMENT
-Strategic Overview-

The use of information technology (IT) is critical to VA providing a range of benefits and services to Veterans, from medical care to compensation and pensions. If managed effectively, IT capital investments can significantly enhance operations and support the secure and effective delivery of VA benefits and services. However, when VA does not properly plan and manage its IT investments, they can become costly, risky, and counterproductive. Lacking proper safeguards, computer systems also are vulnerable to intrusions by groups seeking to obtain sensitive information, commit fraud, disrupt operations, or launch attacks against other systems.

Under the leadership of the Executive in Charge of Information and Technology, VA's Office of Information and Technology (OIT) is positioning itself to facilitate VA's transformation into a 21st century organization through improvement strategies in five key IT areas: (1) quality customer service, (2) continuous readiness in information security, (3) transparent operational metrics, (4) product delivery commitments, and (5) fiscal management. OIT's efforts are also focused on helping accomplish VA's top three agency priority goals of expanding access to benefits and services, eliminating the claims backlog in 2015, and ending Veteran homelessness in 2015.

However, OIG oversight work indicates that additional actions are needed to effectively manage and safeguard VA's information resources and processing operations. As a result of the FY 2013 CFS audit, OIG's independent auditor reported that VA did not substantially comply with requirements of the Federal Financial Management Improvement Act of 1996. While providing an unqualified opinion on the CFS, the independent auditor has identified IT security controls as a material weakness.

OIG work indicates VA has only made marginal progress toward eliminating the material weakness and remediating major deficiencies in IT security controls. VA could not readily account for the various systems linkages and sharing arrangements with affiliate organizations, leaving sensitive Veterans' data at unnecessary risk of unauthorized access and disclosure. OIT also has not fully implemented competency models, identified competency gaps, or created strategies for closing the gaps to ensure its IT human capital resources will support VA in accomplishing IT initiatives and mission goals well into the future. Despite implementation of the Program Management and Accountability System (PMAS) to ensure oversight and accountability, VA is still challenged in effectively managing its IT systems initiatives to maximize the benefits and outcomes from the funds invested.

OIG Sub-Challenge #5A: Develop an Effective Information Security Program and System Security Controls (OIT)

Secure systems and networks are integral to supporting the range of VA mission-critical programs and operations. Information safeguards are essential, as demonstrated by well-publicized reports of information security incidents, the wide availability of hacking tools on the internet, and the advances in the effectiveness of attack technology. In several instances, VA has reported security incidents in which sensitive information has been lost or stolen, including personally identifiable information (PII) — exposing millions of Americans to the loss of privacy, identity theft, and other financial crimes. The need for an improved approach to information security is apparent, and one that senior Department leaders recognize. Recent work on the CFS audit supports OIG's annual Federal Information Security Management Act (FISMA) assessment. During FY 2013, VA continued to implement its Continuous Readiness in Information Security Program to ensure continuous monitoring year-round and establish a team responsible for resolving the IT material weakness. In August 2013, VA also implemented an IT Governance, Risk and Compliance Tool to improve the process for assessing, authorizing, and monitoring the security posture of the agency. As FISMA work progressed, OIG noted more focused VA efforts to implement standardized information security controls across the enterprise. OIG also saw improvements in role-based and security awareness training, contingency plan testing, reduction in the number of outstanding Plans of Action and Milestones (POA&M), development of initial baseline configurations, reduction in the number of IT individuals with outdated background investigations, and improvement in data center web application security.

However, these controls require time to mature and show evidence of their effectiveness. Accordingly, OIG continues to see information system security deficiencies similar in type and risk level to our findings in prior years and an overall inconsistent implementation of the security program. Moving forward, VA needs to ensure a proven process is in place across the agency. VA also needs to continue to address control deficiencies that exist in other areas across all VA locations. OIG continues to find control deficiencies in Security Management, Access Controls, Configuration Management, and Contingency Planning. Most importantly, OIG continues to identify significant technical weaknesses in databases, servers, and network devices that support transmitting financial and sensitive information between VAMCs, VA Benefit Offices, and Data Centers. This is a result of an inconsistent application of vendor patches that could jeopardize the data integrity and confidentiality of VA's financial and sensitive information.

VA has made progress in deploying current patches; however, older patches and previously identified vulnerabilities continue to persist on networks. Even though VA has made some progress in these areas, more progress must be made to improve deployment of patches that will mitigate security vulnerabilities and to implement a

centralized process that is consistent across all field offices. Many of these weaknesses can be attributed to an inconsistent enforcement of an agency-wide information security program across the enterprise and ineffective communication between VA management and the individual field offices. Therefore, VA needs to improve its performance monitoring to ensure controls are operating as intended at all facilities and communicate security deficiencies to the appropriate personnel, who will implement corrective actions.

As such, the FY 2013 FISMA audit report discussed control deficiencies in four key areas: (1) configuration management controls, (2) access controls, (3) change management, and (4) service continuity controls. Improvements are needed in these key controls to prevent unauthorized access, alteration, or destruction of major application and general support systems. VA had over 6,000 system security risks and corresponding POA&Ms that still need to be remediated to improve its overall information security posture. More importantly, OIG continued to identify significant technical weaknesses in databases, servers, and network devices that support transmitting sensitive information among VA facilities. Many of these weaknesses may be attributed to inconsistent enforcement of an agency-wide information security program across the enterprise and ineffective communication between VA management and the individual field offices.

OIG's FY 2013 FISMA report provided 30 current recommendations to the Executive in Charge of Information and Technology for improving VA's information security program. The report also highlighted 5 unresolved recommendations from prior years' assessments for a total of 35 outstanding recommendations. Overall, OIG recommended that VA focus its efforts in the following areas:

- Addressing security-related issues that contributed to the IT material weakness reported in the FY 2013 Consolidated Financial Statements Audit of the Department.
- Successfully remediating high-risk system security issues in its POA&Ms.
- Establishing effective processes for evaluating information security controls via continuous monitoring and vulnerability assessments.

OIG continues to evaluate VA's progress during the ongoing FY 2014 FISMA audit and acknowledges increased VA efforts to improve information security, but OIG is still identifying repeat deficiencies, albeit to a lesser extent. Upon completion of the FY 2014 FISMA testing and related work, OIG will make a determination as to whether VA's improvement efforts are successful in overcoming the IT material weakness.

A range of additional OIG audits and reviews over the past two years have exemplified VA's information security controls deficiencies. For example, in March 2013, the OIG reported that VA was transmitting sensitive data, including PII and internal network routing information, over an unencrypted telecommunications carrier network. VA OIT personnel disclosed that VA typically transferred unencrypted sensitive data, such as

EHRs and internal Internet protocol addresses, among certain VAMCs and CBOCs using an unencrypted telecommunications carrier network. OIT management acknowledged this practice and formally accepted the security risk of potentially losing or misusing the sensitive information exchanged. VA has not implemented technical configuration controls to ensure encryption of sensitive data despite VA and Federal information security requirements. Without controls to encrypt the sensitive VA data transmitted, Veterans' information may be vulnerable to interception and misuse by malicious users as it traverses unencrypted telecommunications carrier networks. Further, malicious users could obtain VA router information to identify and disrupt mission-critical systems essential to providing health care services to Veterans.

Further, in February 2012, OIG reported that VA did not adequately protect sensitive data hosted within its System-to-Drive-Performance (STDP) application. Specifically, OIG determined that more than 20 system users had inappropriate access to sensitive STDP information. Further, OIG reported that project managers did not report unauthorized access as a security event as required by VA policy. STDP project managers were not fully aware of VA's security requirements for system development and had not formalized user account management procedures. Inadequate Information Security Officer oversight contributed to weaknesses in user account management and failure to report excessive user privileges as security violations. As a result, VA lacked assurance of adequate control and protection of sensitive STDP data. VA OIT plans to implement a VA-wide encryption solution to mitigate these security risks.

In July 2011, OIG reported that certain contractors did not comply with VA information security policies for accessing mission critical systems and networks. For instance, contractor personnel improperly shared user accounts when accessing VA networks and systems, did not readily initiate actions to terminate accounts of separated employees, and did not obtain appropriate security clearances or complete security training for access to VA systems and networks. OIG concluded that VA has not implemented effective oversight to ensure that contractor practices comply with its information security policies and procedures. Contractor personnel also stated they were not aware of VA's information security requirements. As a result of these deficiencies, VA sensitive data is at risk of inappropriate disclosure or misuse.

An effective information security program and adequate system security controls also includes limiting employee or contractor access to sensitive information to only that which is needed to accomplish the mission and perform his or her job. For example, a scheduling clerk whose duties involve contacting a Veteran to verify or schedule an appointment may require only the patient's name, phone or email contact information, and the date and nature of the appointment to schedule an appointment and notify the Veteran. OIG has initiated multiple criminal investigations of VA employees who are suspected of having sold sensitive personal information about Veteran patients to which they had access to individuals who used this information to file bogus electronic tax returns and obtain fraudulent refunds. To date, 10 individuals have been arrested, 12 individuals have been indicted, and 7 individuals have been convicted regarding

schemes in which the identities of Veterans were stolen from VA. These cases have resulted in over $5.7 million in fraudulent tax returns. VA data managers need to be cognizant of the potential for misuse of sensitive information and limit its access by VA employees to the minimum necessary to conduct business. VA also has a duty to ensure proper handling and destruction of VA documents containing PII to ensure that these documents are not exposed to the possibility of theft. OIG has provided one management implication notification to VA management on this issue.

VA's Program Response
Estimated Resolution Timeframe: 2015
Responsible Agency Official: Executive in Charge and Chief Information Officer

Completed 2014 MMC Milestones:

OIT continued efforts to improve VA's information security program and system security controls throughout 2014 by addressing findings in the 2013 Federal Information Security Management Act (FISMA) Report regarding configuration management, access controls, change management, and service continuity controls. VA has made progress in managing Plans of Action and Milestones (POA&Ms), in part, by our continuing initiatives such as the Governance, Risk, and Compliance (GRC) tool, Agiliance RiskVision OpenGRC (RiskVision), which establishes effective processes for evaluating information security controls through continuous monitoring across the VA network. This tool automatically ties risk assessments to POA&Ms and system security plans, resulting in a more comprehensive understanding of VA's security posture.

Regarding the OIG finding that significant technical weaknesses were identified in databases, servers, and network devices that transmit sensitive information, VA is now working to modernize security standards on servers and network devices. This past quarter the Chief Information Security Officer issued a memorandum requiring the use of Defense Information Systems Agency (DISA) Standard Technical Guides (STIGs) and the United States Government Configuration Baseline (USGCB) baseline.

VA purchased encryption software licenses with the anticipation of encrypting both desktop and laptop computers. VA has deployed Windows 7 with encryption across the enterprise, and was also the first government agency to implement CERT Intrusion Prevention Security Services (IPSS), also known as Einstein III, which provides monitoring and prevention against cyber threats.

OIG asserted that inconsistent application of vendor patches could jeopardize the data integrity and confidentiality of VA's information. While VA acknowledges that patches are sometimes applied differently, depending upon each system's unique functionality, it is important to point out that VA only deploys patches that are determined not to pose operational threats to our mission delivery of patient care and services to Veterans while ensuring maximum protection of Veterans' data.

To address the finding that VA needs to improve its performance monitoring to ensure controls are operating as intended, we have shifted to real-time continuous monitoring, allowing us to assess demand and address any significant risk to our systems and devices. For example, we are starting to leverage automated scanning results and continuous monitoring data when evaluating system and network security risk and when making risk decisions for the VA enterprise. VA also implemented Trusted Internal Connections (TIC) to enhance monitoring and awareness of external connections.

In response to the finding that employee and contractor access to sensitive information should be limited only to that which is needed for job duties, VA continues to implement, follow, and enforce Elevated Privilege Review which grants access for sensitive information only to users who need it for their job duties. Employees are required annually to sign the Rules of Behavior and complete information security and privacy awareness training.

APPENDIX

The Appendix lists selected reports pertinent to the five key challenges discussed. However, the Appendix is not intended to encompass all OIG work in an area.

<u>OIG MAJOR MANAGEMENT CHALLENGE #1: HEALTH CARE DELIVERY</u>

Healthcare Inspection–Emergency Department Staffing and Patient Safety Issues, VA San Diego Healthcare System, San Diego, California
9/3/2014 | 14-00271-265 | Summary |

Healthcare Inspection–Follow-up Review of the Pause in Providing Inpatient Care VA Northern Indiana Healthcare System, Fort Wayne, Indiana
8/28/2014 | 13-00670-262 | Summary |

Review of Alleged Patient Deaths, Patient Wait Times, and Scheduling Practices at the Phoenix VA Health Care System
8/26/2014 | 14-02603-267 | Summary |

Healthcare Inspection–Deficiencies in the Caregiver Support Program, Ralph H. Johnson VA Medical Center, Charleston, South Carolina
8/21/2014 | 14-00991-255 | Summary |

Healthcare Inspection–Coordination and Delivery of Medical Care Concerns, VA Black Hills Health Care System, Fort Meade, South Dakota
8/20/2014 | 14-01467-256 | Summary |

Healthcare Inspection–Improper Closure of Non-VA Care Consults, Carl Vinson VA Medical Center, Dublin, GA
8/12/2014 | 14-03010-251 | Summary |

Healthcare Inspection–Quality of Care and Staff Safety Concerns at the Huntsville Community Based Outpatient Clinic, Huntsville, Alabama
7/17/2014 | 14-01322-215 | Summary |

Healthcare Inspection–Alleged Medication Cart Deficiencies and Unsafe Medication Administration Practices, Atlanta VA Medical Center, Decatur, Georgia
7/16/2014 | 14-02396-212 | Summary |

Healthcare Inspection–Reporting of Suspected Patient Neglect, Central Alabama Veterans Health Care System, Tuskegee, Alabama
7/16/2014 | 14-02903-211 | Summary |

Healthcare Inspection–Alleged Mismanagement in the Cardiac Catheterization Laboratory, VA Maryland Health Care System, Baltimore, Maryland
7/15/2014 | 13-02892-217 | Summary |

Healthcare Inspection–Alleged Surgical Care Issues, Malcom Randall VA Medical Center, Gainesville, Florida
7/14/2014 | 14-00992-210 | Summary |

Healthcare Inspection–Potential Exposure to Creutzfeldt-Jakob Disease, VA Connecticut Healthcare System, West Haven, Connecticut
7/1/2014 | 13-04520-201 | Summary |

Healthcare Inspection–Substandard Care of a Lupus Patient at the Albany CBOC and Carl Vinson VA Medical Center, Dublin, Georgia
7/1/2014 | 14-00467-202 | Summary |

Healthcare Inspection–Medication Management Issues in a High Risk Patient, Tuscaloosa VAMC, Tuscaloosa, Alabama

6/25/2014 | 13-02665-197 | Summary |

Healthcare Inspection–Resident Supervision in the Operating Room, Ralph H. Johnson VA Medical Center, Charleston, South Carolina
6/23/2014 | 14-00637-199 | Summary |

Healthcare Inspection–Quality of Care and Staffing Concerns, Salem VA Medical Center, Salem, Virginia
6/23/2014 | 13-03604-198 | Summary |

Healthcare Inspection–Follow-Up of Mental Health Inpatient Unit and Outpatient Contract Programs, Atlanta VA Medical Center, Decatur, Georgia
6/19/2014 | 12-03869-187 | Summary |

Healthcare Inspection–Alleged Preventive Maintenance Inspection Deficiencies, Northern Arizona VA Health Care System, Prescott, Arizona
6/9/2014 | 13-04592-179 | Summary |

Healthcare Inspection–Quality of Care Concerns, Hospice/Palliative Care Program, VA Western New York Healthcare System, Buffalo, New York
6/9/2014 | 13-04195-180 | Summary |

Healthcare Inspection–Community Living Center Patient Care, Gulf Coast Veterans Health Care System, Biloxi, Mississippi
5/28/2014 | 14-01119-168 | Summary |

Interim Report: Review of VHA's Patient Wait Times, Scheduling Practices, and Alleged Patient Deaths at the Phoenix Health Care System
5/28/2014 | 14-02603-178 | Summary |

Healthcare Inspection–GI Fellowship Program Issues, New Mexico VA Health Care System, Albuquerque, New Mexico
5/23/2014 | 14-00612-167 | Summary |

Healthcare Inspection–Podiatry Clinic Staffing Issues and Delays in Care, Central Alabama Veterans Health Care System, Montgomery, Alabama
5/19/2014 | 13-04474-157 | Summary |

Audit of VHA's Mobile Medical Units
5/14/2014 | 13-03213-152 | Summary |

Healthcare Inspection–VA Patterns of Dispensing Take-Home Opioids and Monitoring Patients on Opioid Therapy
5/14/2014 | 14-00895-163 | Summary |

Healthcare Inspection–Improper Procurement and Billing Practices for Anesthesiology Services, George E. Wahlen VA Healthcare System, Salt Lake City, Utah
5/6/2014 | 13-01819-133 | Summary |

Healthcare Inspection–Alleged Excessive Wait for Emergency Care and Staff Disrespect, VA Southern Nevada Healthcare System, Las Vegas, Nevada
4/30/2014 | 14-01104-134 | Summary |

Healthcare Inspection–Questionable Cardiac Interventions and Poor Management of Cardiovascular Care, Edward Hines, Jr. VA Hospital, Hines, Illinois
4/8/2014 | 13-02053-119 | Summary |

Healthcare Inspection–Administrative Irregularities, Leadership Lapses, and Quality of Care Concerns, VA Central Iowa Health Care System, Des Moines, Iowa
3/31/2014 | 13-02073-106 | Summary |

Healthcare Inspection–Unexpected Patient Death in a Substance Abuse Residential Rehabilitation Treatment Program, Miami VA Healthcare System, Miami, Florida

3/27/2014 | 13-03089-104 | Summary |

Alleged Adverse Outcomes and Access Issues in Diagnostic Imaging Services, North Florida/South Georgia Veterans Health System, Gainesville, Florida

3/20/2014 | 13-00853-100 | Summary |

Audit of VA's Hearing Aid Services

2/20/2014 | 12-02910-80 | Summary |

Healthcare Inspection–Environment of Care Deficiencies in the Operating Room, VA Connecticut Healthcare System, West Haven, Connecticut

2/18/2014 | 13-03747-76 | Summary |

Healthcare Inspection–Alleged Patient Safety Concerns in the Operating Room, VA Maine Healthcare System, Augusta, Maine

2/12/2014 | 13-03624-58 | Summary |

Healthcare Inspection–Alleged Lapses in Communication and Poor Quality of Care, Charlie Norwood VA Medical Center, Augusta, Georgia

2/12/2014 | 13-03178-70 | Summary |

Healthcare Inspection–Quality of Care, Management Controls, and Administrative Operations, William Jennings Bryan Dorn VA Medical Center, Columbia, South Carolina

2/6/2014 | 13-00872-71 | Summary |

Healthcare Inspection–Quality of Care Issues, San Juan VA Medical Center, San Juan, Puerto Rico

12/30/2013 | 13-01956-37 | Summary |

Healthcare Inspection–Emergency Department Length of Stay and Call Center Wait Times, VA Eastern Colorado Health Care System, Denver, Colorado

12/23/2013 | 13-03862-35 | Summary |

Healthcare Inspection–Alleged Chemotherapy Delay and Excessive Emergency Department Length of Stay, Jesse Brown VA Medical Center, Chicago, Illinois

12/9/2013 | 13-00488-26 | Summary |

Healthcare Inspection–Alleged Computed Tomography Scan Delays and Timekeeping Abuses, Dayton VA Medical Center, Dayton, Ohio

11/20/2013 | 12-04061-18 | Summary |

Healthcare Inspection–Alleged Improper Opioid Prescription Renewal Practices, San Francisco VA Medical Center, San Francisco, California

11/7/2013 | 13-00133-12 | Summary |

Healthcare Inspection–Audiology Staffing, Consult Management, and Access to Care, Sheridan VA Healthcare System, Sheridan, Wyoming

11/5/2013 | 13-03670-13 | Summary |

Healthcare Inspection–Emergency Department Patient Deaths' Memphis VAMC, Memphis, Tennessee

10/23/2013 | 13-00505-348 | Summary |

Congressional Testimony 9/17/2014

Statement of Richard J. Griffin Acting Inspector General Office of Inspector General Department of Veterans Affairs Before The Committee On Veterans' Affairs United States House of Representatives Hearing On "Scheduling Manipulation And Veteran Deaths In Phoenix: Examination of the OIG's Final Report" More

Congressional Testimony 9/17/2014

Oral Statement of Richard J. Griffin Acting Inspector General Office of Inspector General Department of Veterans Affairs Before The Committee On Veterans' Affairs United States House Representatives Hearing On "Scheduling Manipulation And Veteran Deaths In Phoenix: Examination of the OIG's Final Report" More

Congressional Testimony 6/9/2014

Statement of Richard J. Griffin Acting Inspector General Office of Inspector General Department of Veterans Affairs Before the Committee On Veterans' Affairs United States House of Representatives Oversight Hearing On "Data Manipulation And Access To VA Healthcare: Testimony From GAO, IG, and VA" More

Congressional Testimony 5/29/2014

Statement of Linda A. Halliday Assistant Inspector General for Audits and Evaluations Office of Inspector General Department of Veterans Affairs Before the Subcommittee on Disability Assistance and Memorial Affairs Committee on Veterans' Affairs United States House of Representatives Hearing on "Defined Expectations: Evaluating VA's Performance in the Service Member Transition Process" More

Congressional Testimony 5/15/2014

Statement of Richard J. Griffin Acting Inspector General Office of Inspector General Department of Veterans Affairs Before Committee On Veterans' Affairs United States Senate Hearing On "The State of VA Health Care" More

Congressional Testimony 5/15/2014

Oral Statement of Richard J. Griffin Acting Inspector General Office of Inspector General Department of Veterans Affairs Before Committee On Veterans' Affairs United States Senate Hearing On "The State of VA Health Care" More

Congressional Testimony 4/9/2014

Statement of John D. Daigh, Jr., M.D. Assistant Inspector General For Healthcare Inspections Office of Inspector General Department of Veterans Affairs Before Committee on Veterans' Affairs United States House Of Representatives Hearing On "A Continued Assessment of Delays in VA Medical Care and Preventable Veteran Deaths" More

OIG CHALLENGE #2: BENEFITS PROCESSING

Review of Alleged Data Manipulation at the VA Regional Office Houston, TX
9/30/2014 | 14-04003-298 | Summary |

Review of Alleged Data Manipulation at the Los Angeles VA Regional Office
9/18/2014 | 14-03736-273 | Summary |

Audit of VBA's Efforts to Effectively Obtain Veterans' Service Treatment Records
8/28/2014 | 14-00657-261 | Summary |

Review of Alleged Mail Mismanagement at VBA's Baltimore VA Regional Office
7/14/2014 | 14-03644-225 | Summary |

Review of VBA's Special Initiative To Process Rating Claims Pending Over 2 Years
7/14/2014 | 13-03699-209 | Summary |

Audit of NCA's Rural Veterans Burial Initiative
7/14/2014 | 13-03468-203 | Summary |

Audit of Post-9/11 G.I. Bill Monthly Housing Allowance and Book Stipend Payments
7/11/2014 | 13-01452-214 | Summary |

Follow-Up Audit of VHA's Workers' Compensation Case Management
7/7/2014 | 11-00323-169 | Summary |

Follow-up Audit of VBA's 100 Percent Disability Evaluations
6/6/2014 | 14-01686-185 | Summary |

Audit of VBA's Management of Concurrent VA and Military Drill Pay Compensation
6/3/2014 | 13-02129-177 | Summary |

Review of Alleged Mismanagement of VBA's Eastern Area Fiduciary Hub
5/28/2014 | 13-03018-159 | Summary |

Audit of the Quick Start Program
5/20/2014 | 12-00177-138 | Summary |

Interim Report - VBA's Efforts to Effectively Obtain Service Treatment Records and Official Military Personnel Files
5/15/2014 | 14-00657-144 | Summary |

Audit of VHA's Supportive Services for Veteran Families Program
3/31/2014 | 13-01959-109 | Summary |

Congressional Testimony 7/14/2014
Statement of Linda A. Halliday Assistant Inspector General for Audits and Evaluations Office of Inspector General Department of Veterans Affairs Before The Committee on Veterans' Affairs United States House Of Representatives Hearing On "Evaluation Of The Process To Achieve VBA Goals" More

Congressional Testimony 12/4/2013
Statement of Sondra F. McCauley Deputy Assistant Inspector General For Audits And Evaluations Office of Inspector General, Department of Veterans Affairs Before The Subcommittee On Disability Assistance And Memorial Affairs Committee On Veterans' Affairs United States House Of Representatives Hearing On "Adjudicating VA's Most

Complex Disability Claims: Ensuring Quality, Accuracy, And Consistency On Complicated Issues" More

OIG CHALLENGE #3: FINANCIAL MANAGEMENT

VA's Federal Information Security Management Act Audit for Fiscal Year 2013
5/29/2014 | 13-01391-72 | Summary |

FY 2013 Review of VA's Compliance With the Improper Payments Elimination and Recovery Act
4/15/2014 | 13-02926-112 | Summary |

Independent Review of VA's FY 2013 Performance Summary Report to the Office of National Drug Control Policy
2/11/2014 | 14-00257-67 | Summary |

Independent Review of VA's FY 2013 Detailed Accounting Submission to the Office of National Drug Control Policy
2/10/2014 | 14-00258-66 | Summary |

Audit of VA's Consolidated Financial Statements for FY's 2013 and 2012
11/27/2013 | 13-01316-22 | Summary |

OIG CHALLENGE #4: PROCUREMENT PRACTICE

Review of Alleged Unauthorized Commitments Within VA
5/21/2014 | 13-00991-154 | Summary |

Audit of the Non-Recurring Maintenance Program
5/7/2014 | 13-00589-137 | Summary |

Audit of VHA's Engineering Service Purchase Card Practices at the Ralph H. Johnson VAMC, Charleston, SC
4/17/2014 | 13-02267-124 | Summary |

Review of the Lease Awarded to Westar Development Company, LLC for the Butler, Pennsylvania Health Care Center
3/31/2014 | 13-02697-113 | Summary |

Review of VA's Management of Health Care Center Leases
10/22/2013 | 12-04046-307 | Summary |

Congressional Testimony 11/20/2013
Statement of Linda A. Halliday Assistant Inspector General For Audits And Evaluations Office of Inspector General Department of Veterans Affairs Before The Committee On Veterans' Affairs United States House of Representatives Hearing On "Building VA's Future – Confronting Persistent Challenges in VA's Major Construction and Lease Programs" More

Congressional Testimony 10/30/2013
Statement of Richard J. Griffin Deputy Inspector General Office of Inspector General Department of Veterans Affairs Before the Committee On Oversight And Government Reform United States House of Representatives Hearing on VA Conferences in Orlando, Florida More

OIG CHALLENGE #5: INFORMATION MANAGEMENT

VA's Federal Information Security Management Act Audit for Fiscal Year 2013

5/29/2014 | 13-01391-72 | Summary |

Audit of VA's Pharmacy Reengineering Software Development Project

12/23/2013 | 12-04536-308 | Summary |

High-Risk Areas Identified by the U.S. Government Accountability Office (GAO)

The U.S. Government Accountability Office (GAO) evaluates VA's programs and operations. In February 2013, GAO issued an update to its High-Risk Series (GAO-13-283). The GAO-identified High-Risk Areas (HRAs) that are specific to VA as well as government-wide are summarized below. In response to each of the HRAs, the Department has provided the following:

- *Estimated resolution timeframe (fiscal year)* for VA to eliminate each HRA
- *Responsible Agency Official* for each HRA
- *Completed 2014 milestones* in response to the HRA
- *Planned 2015 milestones* along with *estimated completion quarter*

High-Risk Area		Estimated Resolution Timeframe (Fiscal Year)	Page #
No.	Description		
GAO 1	**Improving and Modernizing Federal Disability Programs (VBA lead, BVA to provide additional input regarding appeals)**	**2016**	**129**
GAO 2	**Strategic Human Capital Management: A Government-wide High-Risk Area (HRA)**	**2015**	**133**
GAO 3	**Managing Federal Real Property: A Government-wide High-Risk Area (OM-OAEM)**	**2015**	**135**
GAO 4	**Protecting the Federal Government's Information Systems and the Nation's Cyber Critical Infrastructures (OI&T)**	**2015**	**137**
	Appendix		**139**

GAO High-Risk Area 1: Improving and Modernizing Federal Disability Programs (VBA lead, BVA to provide additional input regarding appeals)

(Based upon GAO-13-283, GAO-13-89 and GAO-11-633T)

Federal disability programs remain in need of modernization. Numerous federal programs provide a range of services and supports for people with disabilities—including 45 employment-related programs—that together represent a patchwork of policies and programs without a unified strategy or set of national goals. Further, three of the largest federal disability programs—managed by the Social Security Administration (SSA) and Department of Veterans Affairs (VA)—rely on out-of-date criteria to a great extent in making disability benefit decisions. While SSA and VA have taken concrete steps toward updating their criteria, these disability programs emphasize medical conditions in assessing an individual's work incapacity without adequate consideration of the work opportunities afforded by advances in medicine, technology, and job demands. Finally, federal disability benefit programs are experiencing growing disability claim workloads as the demand for benefits has increased under a difficult job market. Thus, challenges are likely to persist, despite concerted efforts to process more claims annually. GAO designated improving and modernizing federal disability programs as high risk in 2003.

VA's Program Response
Estimated Resolution Timeframe: 2016
Responsible Agency Official: Under Secretary for Benefits

Completed 2014 Milestones

In fiscal year (FY) 2014, the Veterans Benefit Administration (VBA) entered the stabilization and assessment phase of its multi-year transformation. VBA continued to leverage the capabilities of its electronic applications (e.g., VBMS and Veterans Relationship Management (VRM) etc.) by adding increased functionality to process claims. The eBenefits Portal added additional means to facilitate electronic filing of claims to further expedite the transition to a paperless environment. The SEP provided VSOs with secure messaging, access to services of DoD, on demand help, and claims status information. These actions and initiatives support VBA efforts to improve the timeliness and accuracy of claims processing.

VBA has made significant progress toward eliminating the claims backlog (any rating claim older than 125 days) and improving accuracy. As of July 21, 2014, VBA:

- Reduced backlog from its peak of 611,000 in March 2013 to 270,000– a 56 percent reduction in 16 months
- Reduced inventory from the peak of 884,000 in July 2012 to 558,000– a 37 percent reduction
- Without sacrificing quality, claim-level accuracy increased from 83 percent in June 2011 to 91 percent; at the issue-level, accuracy is 96 percent
- Completed 171,000 more claims FYTD than at the same time in FY 2013.

VBA continues to make progress in updating the entire VA Schedule of Rating Disabilities (VASRD) to ensure that all body systems and the evaluation criteria for their associated disabilities meet current standards of medical science. VBA has conducted working groups for all 15 body systems. Draft regulations are available for all the revised systems, and they are presently at various levels of concurrence within VA.

VBA continued to provide Quality Review Team (QRT) Challenge Training for new and existing QRT members. This Challenge program was designed to promote consistency in error detection, reporting between local and national quality reviewers, and mentoring of claims processors after errors are detected. In addition, consistency studies for QRTs, Veterans Service Representatives (VSRs), and Rating Veterans Service Representatives (RVSRs) were conducted monthly with the results discussed during the Monthly Quality Calls.

VBA conducted refresher training for VSRs and RVSRs called the Special Adjudication Review Course (SPARC). Each three-week, instructor-led SPARC training session focused on VSRs and RVSRs who required additional training to increase their proficiency and accuracy. New Veterans Service Center supervisors attended Supervisory Technical Analysis of Data, a new one-week, in-person national technical training curriculum to improve field production and quality through better research and analysis of data, decision making, and workload management.

The Private Medical Records (PMR) program, which uses contractors to obtain private treatment records, continued to demonstrate success at its 10 pilot stations by electronically receiving health care provider responses in an average of 12 days. The program also began integration with the centralized mail program to further align it with claims modernization goals.

In FY 2014, VA and DoD transitioned to the electronic transmission of certified, complete Service Treatment Records (STRs) from DoD's Healthcare Artifacts and Images Management Solution to VBA's VBMS. DoD no longer sends paper STRs to VA.

In FY 2014, over 5,000 VBA employees received access to the Social Security Administration's (SSA's) Government-to-Government Services Online (GSO) system. GSO is a web-based tool used to request and transmit medical records through a secure electronic messaging system.

To simplify burial benefit payments, VBA amended its burial benefits regulations effective July 7, 2014. The amended regulations permitted VA to automate certain burial allowance payments to most surviving spouses of record, pay flat-rate burial and plot or interment allowances that are equal to the maximum benefit authorized by law, and establish priority of payments to certain survivors and estate representatives. VBA has also automated certain Dependency and Indemnity Compensation benefits to the Veteran's surviving spouse of record, to expedite payments to surviving spouses during

one of their greatest times of need. The automation of certain burial and DIC payments was successfully deployed nationwide on July 7, 2014.

VA also worked with the Internal Revenue Service and SSA to implement upfront income verification using Federal tax information. VBA now automatically matches new pension claims with the most recent three years of Federal tax information maintained in IRS and SSA records. The ability to verify a claimant's income at the time of application permitted VBA to discontinue the annual eligibility verification reporting requirement for as many as 150,000 pension beneficiaries. This automation improved program integrity, reduced improper payments, reduced claimant burden, and positioned the pension program for rules-based processing.

VA delivered more enhanced functionality to its electronic claims processing tool, VBMS, while supporting a higher volume of claims.

The VRM program used information technology to enhance secure access points for Veterans and stakeholders and improved customer service, accuracy, and transparency of data. VBA deployed the new Beneficiary Fiduciary Field System to improve tracking and case management of fiduciary cases.

VBA, in partnership with the Board of Veterans' Appeals (the Board), continued to participate in joint training to aid in standardizing adjudication across the VA benefits system. VBA and the Board expect such interactive training to lead to future reduction in the number of avoidable remands.

In February 2014, VBA and the Board submitted to Congress a Strategic Plan to Transform the Appeal process. VA's Appeals Transformation Plan proposed a series of short- and long-term integrated people, process, and technology initiatives designed to deliver a final agency decision as soon as possible under the governing law. VA's plan focuses on employee training, tools, and assignment of work; streamlining the appeal process; and implementing modern technology solutions in systems that are already under development.

The Board increased video teleconference (VTC) hearings, which reduced Veteran hearing wait times by as much as 100 days and saved the Government travel dollars. The number of VTC hearings reached 54 percent in FY 2014, which represented a 74 percent increase in just the past five years.

Planned 2015 Milestones with estimated completion quarter

As part of the ongoing VASRD update project, VBA expects to have the remaining 11 body systems at the most advanced level of concurrence and ready as proposed rules for publication in the Federal Register by the end of FY 2016. (Q4-2016)

QRT Challenge Training will continue to include several weeks of combined classroom training as well as on-the-job training. Challenge Training for new VSRs and RVSRs will continue throughout FY 2015. (Q4)

The PMR program will be deployed nationally while fully integrating with the centralized mail program. (Q1)

VA is creating business requirements to simplify and automate plot/interment payments. (Q4)

VBA is developing a new post-award audit process that will replace the traditional income verification match, to ensure those receiving pension benefits continue to be eligible. VBA is developing an implementation plan that will include milestones for measuring progress. (Q2)

The strategic direction set for the VBMS initiative capitalizes on efficiencies and quality improvements gained during FY 2014. Planned system functionality for FY 2015 will allow claims processors to focus on more difficult claims by reducing the time required to process less complex claims, enabling VA to meet the goal of processing all claims within 125 days at 98 percent accuracy. (Q4)

Additional software releases for VBMS will support the National Work Queue initiative and improve the claims process workflow. To the extent possible, automated workflow capabilities will assist in improving the accuracy and timeliness of electronic claims. (Q1)

Implementation of the National Work Queue will facilitate national workload management to improve VBA's overall production capacity by allowing VBA to prioritize and distribute the workload across regional offices. (Q3)

The VRM Program Management Office will continue to enhance secure access points for Veterans and stakeholders and improve customer service, accuracy, and transparency of data. (Q4)

VBA and the Board will continue to partner on joint training efforts throughout FY 2015 to increase efficiencies in appeals processing throughout the Department. Active engagement with stakeholders, including VSOs and Congress, on ways to further modernize the VA appeals process will also continue in FY 2015. Finally, the Board will continue the trend of holding at least 50 percent of hearings by VTC by the end of FY 2015, thereby saving hearing wait time for Veterans and their families. (Q4)

GAO High-Risk Area 2: Strategic Human Capital Management (HRA)
(Based upon GAO-13-283, GAO-13-188, GAO-12-1023T)

Addressing complex challenges such as disaster response, national and homeland security, and economic stability requires a high-quality federal workforce able to work seamlessly with other agencies, levels of government, and across sectors. However, current budget and long-term fiscal pressures, coupled with a potential wave of employee retirements that could produce gaps in leadership and institutional knowledge, threaten the government's capacity to effectively address these and many other evolving, national issues. Although progress has been made, the area remains high risk because more work is needed in implementing specific corrective strategies for addressing critical skills gaps and evaluating their results. GAO added this area to its High Risk List in 2001.

VA's Program Response
Estimated Resolution Timeframe: 2015
Responsible Agency Official: Assistant Secretary for Human Resources and Administration

Completed 2014 Milestones

VA Employee Development and Engagement – To close skills gaps in VA's mission critical, leadership and key positions, VA focused on expanding its use of eLearning, resulting in 97 percent of course completions being accomplished through web-based, virtual instructor led training (vILT), and video conference programs. The number of hours spent in virtual training rose from 52 percent to 69 percent during FY 2014. Eighty-one percent of VA employees in mission critical and key occupations participated in a competency-based training program. VA partnered with the University of North Carolina Kenan-Flagler Business School to conduct Senior Executive Strategic Leadership Course II designed to improve the Senior Executive's strategic decision-making, critical thinking, and ability to lead and drive change. VA also strengthened its infrastructure for employee engagement by creating the Employee Engagement and Human Capital Analysis Service to develop a work environment conducive to optimal performance.

Talent Acquisition - VA revitalized its recruitment efforts with a focus on providing advice and guidance to hiring managers on recruitment outreach and hiring solutions for entry level positions; developed career paths; and built pipeline resources through student employment fellowship programs. VA fully implemented the use of the automated hiring system USA Staffing to electronically rate and rank applicants VA consistently hired Veterans in less than 29 calendar days on average through noncompetitive appointments. Veteran hiring in FY 2014 outpaced FY 2013 by approximately 20 percent building on the prior year by over 38 percent. The Veteran Employment Services Office (VESO) contacted/assisted 105,321 Veterans in employment readiness; case managed 265 current Veteran VA employees with retention issues; conducted 301

VA For VETS presentations, reaching 8,753 Veterans; participated in 236 Career Events, reaching 61,367 Veterans. The Office of Diversity & Inclusion led programs that resulted in the 5th consecutive increase of VA's Diversity Index, a measure of aggregate workforce diversity by race, ethnicity, and gender, as compared to the Relevant Civilian Labor Force.

<u>Planned 2015 Milestones with estimated completion quarter (all milestones to be completed Q4)</u>

- Develop new SES courses to improve decision-making and critical thinking;
- Assess and update Leadership and Managerial training in alignment with the Department's needs;
- Provide career guidance access (i.e. access to career maps, competency requirements, training recommendations and resume writing and interviewing tools and training) through MyCareer@VA portal to over 340,000 VA employees and unlimited potential employees external to VA;
- Fully deploy HR●Smart, a state-of-the-art human resource solution to replace VA's 51-year-old-legacy system and provide enhanced functionality and access to benefits and compensation;
- Improve the hiring process by identifying/reducing outliers that extend the time to hire – completing 70 percent of the Title 5 competitive hires within OPM's 80 day "end to end" hiring model;
- Expand Veteran outreach capabilities resulting in an increase in the number of Veterans on board at VA; and
- Assess the current state of employee engagement and deploy a range of programs in FY 2015 to improve supervisory skills and training for engagement.

GAO High-Risk Area 3: Managing Federal Real Property (OM-OAEM)
(Based upon GAO-13-283, GAO-12-645, GAO-12-779, and GAO-12-646)

The federal government faces long-standing problems in managing federal real property, including effectively managing excess and underutilized property, an overreliance on leasing, and protecting federal facilities. The government has given high level attention to this issue and has made progress in real property management, but the underlying challenges that hamper reform remain. Specifically, the government continues to lack consistent, accurate, and useful data to support decision making. In addition, competing stakeholder interests regarding the disposition of excess real property, and legal requirements such as those related to environmental cleanup also present challenges. The Federal Protective Service (FPS) has struggled to effectively target limited resources for protecting federal facilities.

VA's Program Response
Estimated Resolution Timeframe: 2015
Responsible Agency Official: Director, Office of Asset Enterprise Management

Completed 2014 Milestones

VA continues to enhance the SCIP Automated Tool with additional features such as directly linking property disposal/reuse or lease termination with submitted capital projects. This enables VA to ensure it is properly planning for reductions in vacant or underutilized assets as noted by GAO. In addition, VA began to collect more detailed facility condition data through SCIP, allowing differentiation between critical and non-critical infrastructure systems.

VA completed its first full fiscal year of efforts under the Freeze the Footprint (FTF) policy, including producing its first annual agency evaluation. One major achievement related to FTF and better space utilization was the release of an administrative office space standard and detailed implementation guidance. This standard was used with great success at VA Central Office (VACO) campus, resulting in the termination of more than 74,000 square feet of lease space in the Washington, DC area VACO portfolio.

Planned 2015 Milestones with estimated completion quarter

VA will continue to enhance the SCIP process and tools, including improved linkages between budget formulation and project execution. This includes tracking projects being executed for FTF impacts and impact on VA's facility condition data. In addition, continuously improving cost estimating for SCIP projects will be a focus, with more automated tools to assist in estimating and closer relationships between SCIP submitted projects and cost estimating data (Q3).

VA will continue to focus on FTF and overall improvements in space utilization in the portfolio. Specific focus will be put on streamlining the disposal process for unneeded assets, which benefits the overall VA portfolio as well as FTF. VA will continue managing the current FTF plan, while also planning for the next generation of FTF, with

long term plans being developed for implementing the recently released space standard (Q4).

GAO High-Risk Area 4: Protecting the Federal Government's Information Systems and the Nation's Cyber Critical Infrastructures (OI&T)
(Based upon GAO-13-183, GAO-12-816, and GAO-12-137)

As computer technology has advanced, federal agencies and our nation's critical infrastructures-such as power distribution, water supply, telecommunications, and emergency services have become increasingly dependent on computerized information systems and electronic data to carry out operations and to process, maintain, and report essential information. The security of these systems and data is essential to protecting national and economic security, and public health and safety. Safeguarding federal computer systems and the systems that support critical infrastructures—referred to as cyber critical infrastructure protection (cyber CIP)—is a continuing concern. Federal information security has been on GAO's list of high-risk areas since 1997; in 2003, GAO expanded this high-risk area to include cyber CIP. Risks to information and communication systems include insider threats from disaffected or careless employees and business partners, escalating and emerging threats from around the globe, the ease of obtaining and using hacking tools, the steady advance in the sophistication of attack technology, and the emergence of new and more destructive attacks.

VA's Program Response
Estimated Resolution Timeframe: 2015
Responsible Agency Official: Deputy Chief Information Officer
for Information Protection and Risk Management

Completed 2014 Milestones

In 2014, the Office of Information and Technology (OI&T) continued its vigilant protection of VA's information systems and cyber critical infrastructures. OI&T provided continuous around-the-clock monitoring of VA's network through the VA Network and Security Operations Center (VA-NSOC), which protects, responds to, and reports threats to information systems. VA implements security for application systems and networks as specified by the Federal Information Security and Management Act and the National Institute of Standards and Technology (NIST), which require that the cyber systems most critical to supporting the mission and functions of VA are properly protected. VA-NSOC prevents 1.7 million viral infections and examines over 1.29 billion web requests annually. In order to ensure that VA's cyber critical infrastructures are able to remain functional in the event of a disaster, VA's Office of Business Continuity (OBC) continued to implement a contingency and disaster recovery process, which is compliant with NIST standards 800-34 and 800-84. OBC also continued to implement a QA review of completed plans and tests to ensure that these processes are monitored and updated as appropriate.

OI&T is a full participant in the VA Integrated Operations Center (IOC), and has developed a Geographic Information Systems (GIS) monitoring program that provides situational awareness on infrastructure systems and assets to ensure that VA can continue providing services to Veterans in the event of a disaster. In May 2014, VA implemented Web content filtering restrictions to prevent outbound and inbound

communications to countries that pose a significant risk, a new policy stemming from a recommendation by the OIG. VA has also been working to centralize security services for the enterprise under VA's Network Security Operations Center (VA-NSOC), which has added a number of tool suites and capabilities to help monitor our critical cyber infrastructure, identify threats and vulnerabilities, defend, and protect VA systems and devices. VA has implemented continuous monitoring and leverages automated scanning results and continuous monitoring data when evaluating system and network security risks, and when making risk decisions for the VA enterprise. VA has also implemented the Trusted Internal Connections initiative to enhance monitoring and awareness of external connections.

Planned 2015 Milestones with estimated completion quarter

In 2015, OBC plans to continue to implement our cyber-critical infrastructure protection program consistent with federal guidance and NIST standards, as well as our ongoing initiatives focused on training and educating staff on cyber security issues and best practices. The information contingency plans and disaster recovery plans for all VA systems are being reviewed and updated as necessary to ensure the systems most critical to the accomplishment of VA mission and functions have valid plans in place in order to respond to any disruptions to our cyber infrastructure.

Estimated completion quarter – FY 2015 (Q4)

APPENDIX

The Appendix lists selected reports pertinent to the high-risk areas discussed. However, the Appendix is not intended to encompass all GAO work in a particular area.

Improving and Modernizing Federal Disability Programs

High-Risk Series: An Update, GAO-13-283, February 2013.

Military and Veterans Disability System: Pilot Has Achieved Some Goals, but Further Planning and Monitoring Needed, GAO-11-69, December 6, 2010.

Military and Veterans Disability System: Worldwide Deployment of Integrated System Warrants Careful Monitoring, GAO-11-633T, May 4, 2011.

Strategic Human Capital Management

High-Risk Series: An Update, GAO-13-283, February 2013.

Managing Federal Real Property

High-Risk Series: An Update, GAO-13-283, February 2013.

VA Real Property: Realignment Progressing, but Greater Transparency about Future Priorities Is Needed, GAO-11-197, January 31, 2011.

Federal Real Property: The Government Faces Challenges to Disposing of Unneeded Buildings,
GAO-11-370T, February 10, 2011.

VA Real Property: Realignment Progressing, but Greater Transparency about Future Priorities Is Needed,
GAO-11-521T, April 5, 2011.

Protecting the Federal Government's Information Systems and the Nation's Critical Infrastructures

High-Risk Series: An Update, GAO-13-283, February 2013.

Medical Devices: FDA Should Expand Its Consideration of Information Security for Certain Types of Devices. GAO-12-816. Washington, D.C.: August 31, 2012.

Information Security: Weaknesses Continue Amid New Federal Efforts to Implement Requirements. GAO-12-137. Washington, D.C.: October 3, 2011.

EVALUATIONS AND RESEARCH
Program Evaluations

Background: In January 2014, VHA started the effort of aligning existing performance measures with the programs in the FPI. At the conclusion of this effort, approximately 583 measures, which are monitored and tracked by VHA, were aligned to the FPI programs. Although these metrics are used for performance management activities in different forums, they do not address all elements of a program. Current efforts are underway to evaluate each metric for utility and relevance. While limited program evaluation activities are performed in VHA, they are directed to discrete initiatives within a program, and are not conducted in a standardized manner across the organization. On July 9 and 10, 2014, VHA Senior Leadership held a Performance Management Session in order to initiate program evaluation efforts. As a result, a comprehensive program evaluation framework is being developed.

Discussion: The vision for an integrated program performance evaluation framework includes a logical system for performance measurement, performance management using scorecards, and program evaluation to ensure a tangible and lasting effect on the lives of Veterans.
1) **Performance measurement-** utilizing a logical framework, and enabling the capture of data representing a level of performance for a particular activity, process, or program. By defining the elements of the logic model, VHA will be able to trace the performance of a particular program or investment to understand how it should help us advance the mission. This model will help create a direct line of sight between resources, VHA actions, and impact on the Veteran.
2) **Performance management framework-** structure based on a score card system that will help managers draw conclusions about progress and results in order to enable decision-makers take the actions needed to change programs in order to drive results in the future.
3) **Program Evaluation**- review of selected programs using a holistic and systematic study to understand whether, how well, and/or why it is (or is not) working.

Performance Measurement	Performance Management	Program Evaluation
What is the level of performance?	What can we do (right now) about the level of performance?	Why is the level of performance what it is?

This comprehensive framework, which will be phased in over the next two years, will provide an overview of VHA programs to implement a performance evaluation capability in the organization which will ultimately create full accountability and better management of resources in favor of our Veterans.

Research and Development

Research supports the VA goal of ensuring equal and timely access to quality care for all Veterans. VA Medical and Prosthetic Research plays a critical role in understanding health system and other barriers that affect access to care, and in developing and evaluating new initiatives to improve access, reduce disparities for certain Veteran populations (e.g., rural, minority, women), and improve health outcomes.

Research findings published in 2014 found that Telehealth innovations are effective in improving access and outcomes, particularly for rural Veterans. A study of 22 VA community-based outpatient clinics found that implementing telemedicine-based collaborative care in small rural clinics lacking on-site psychiatrists and psychologists increases the percentage of Veterans who take the medications they are prescribed, and improves treatment response rates. Additionally, video conferencing to provide cognitive processing therapy for posttraumatic stress disorder (PTSD) to Veterans in rural areas was found to be as effective as face-to-face treatment, and significantly reduced PTSD symptoms and improved treatment compliance and patient satisfaction.

Other recent research is directed at improving timely access to care. In 2014, VA researchers used Geographic Information Systems to analyze geographic access to acute stroke care at VA medical centers and costs associated with augmenting VA services with private sector care. This research provided strategic recommendations to VA on the locations of VA facilities capable of delivering acute-stroke care, as well as the use of potential alternate strategies such as tele-stroke care or outsourcing to community stroke centers where VA medical center resources are lacking.

Important ongoing research is aimed at better defining and understanding Veteran preferences and perceptions of access and barriers to care – for rural Veterans and also for women Veterans. New clinical and technological innovations are also being tested to improve access to evidence-based MH care in rural areas, as well as specialty care through the Specialty Care Access Network-Extension for Community Healthcare Outcomes (SCAN-ECHO). These projects directly inform VA policy and can help guide development of effective outreach programs to improve access to both primary care and specialty services.

In 2009, VA initiated a Five Year Plan to End Homelessness Among Veterans, an effort being strongly supported by VA researchers, who are learning the best ways to develop, organize, and deliver services that provide optimal outreach and care to homeless and at-risk Veterans. Many VHA Office of Research and Development (ORD) investigators are partnering with VA's National Center on Homelessness Among Veterans, ensuring

that findings from these studies will be disseminated quickly and achieve maximum impact.

Recent study findings from ORD have helped VA in the following ways:
- Developing a brief survey of homeless patients' experiences in primary care. It was administered to homeless people across 3 VA facilities and 1 non-VA Program, and the results were published in 2014.
- Standardizing tools for providers to help Veterans with serious mental illness who are at risk of homelessness become engaged in VA services.
- Developing a measure to better understand the severity of homelessness for Veterans in order to determine the services that are needed.
- Learning how to assist local VA homelessness coordinators with the implementation of Housing First and the coordinated provision of VA services.
- Informing and testing the development of strategies using VA databases to better predict risk for homelessness among Veterans and intervening with them before they become homeless.
- By supporting and studying the impacts of the national implementation of integrated care for homeless Veterans via the rollout of the homeless patient-aligned care team (H-PACT) model in over 30 VA sites.

ORD research currently underway is expected to add to our knowledge on treating smoking cessation and substance use among homeless Veterans, factors that predict community integrations among homeless Veterans with serious mental illness, and using peers to help homeless Veterans access health care services.

Gulf War Veterans' Illness

Gulf War Veterans exhibit a number of health problems, the most troublesome of which is a chronic multisymptom illness (CMI) that presents with such varied symptoms as fatigue, musculoskeletal pain, cognitive difficulties, gastrointestinal problems, sleep difficulties, respiratory symptoms, and skin problems. In response to this complex health issue, VA is supporting research aimed at treating these symptom sets in Gulf War Veterans.

Specialized resistive exercise training is being used to treat musculoskeletal pain and neurological problems. Each Veteran's brain is being studied by using magnetic resonance imaging (MRI) during the exercise sessions to determine if MRI can be used as a marker for improvements in a patient's health. Repetitive transcranial magnetic stimulation (rTMS) is being used in a different study to treat the pain centers of the brain and thereby alleviate pain. There is also a clinical trial using two therapeutic drugs that treat pain symptoms. It is anticipated that this multifaceted approach will be successful in treating Gulf War Veterans. Another therapeutic drug treatment using a steroid that is normally present in the brain was designed to treat neurologic problems, pain, and fatigue. The relationship between fatigue and mitochondrial function in muscle cells will be studied in two projects involving exercise and follow-up laboratory tests. For cognitive problems, one treatment uses light-emitting diodes (LEDs) shining red or

infrared light on a patient to increase blood flow in his/her brain, and another study will teach problem-solving therapy to help Gulf War Veterans recover lost memory and reasoning skills.

Before being approved for funding, these research projects were evaluated by a panel of experts in the appropriate subject areas to ensure that they have a solid scientific and medical basis, that they have a good chance for success, and that the safety of each patient will never be compromised.

Multi-Site Clinical Trials

Clinical research is critical to supporting state-of-the-art health care. Randomized clinical trials, in particular, have been recognized as the "gold standard" for providing evidence towards this goal. VA conducts a range of clinical trials from early phase studies to test new therapies to multi-site clinical trials that produce definitive findings to guide and change practice. Through its Cooperative Studies Program (CSP), an internationally recognized quality-based clinical research network, VA has completed several landmark studies. These studies include: an examination of ZostaVax, a shingles vaccine, that is now widely used for individuals 60 years or older, and the Clinical Outcomes Utilizing Revascularization and Aggressive Drug Evaluation (COURAGE) trial, which found that intensive medical therapy has similar rates of death and heart attacks compared to invasive "bypass" surgery. Recently, CSP completed a clinical trial of over 600 patients with Alzheimer's disease to determine if vitamin E (alpha tocopherol), memantine, or both, can slow progression of mild to moderate Alzheimer's disease. Findings published in the *Journal of the American Medical Association* indicated that participants receiving vitamin E had a delay in clinical progression compared to ones receiving placebo.

In addition to these studies, CSP has several large on-going clinical trials, including the Colonoscopy vs. Fecal Immunochemical Testing in Reducing Mortality from Colorectal Cancer (CONFIRM) trial. This trial is comparing different screening processes for colorectal cancer and seeks to enroll 50,000 participants. As of September 30, 2014, greater than 42 percent of the desired number of participants had been enrolled. When completed, it will be the largest study of its kind and help to inform whether different screening methods have any impact on colorectal cancer-related death.

Posttraumatic Stress Disorder

In FY 2014, VA Research initiated major research efforts to improve the diagnosis and treatment for PTSD. One effort is the joint DoD–VA Consortium to Alleviate PTSD (CAP). DoD and VA will provide $45 million over five years to jointly support research to advance PTSD diagnosis, prevention, and treatment for Servicemembers and Veterans. CAP will provide cutting-edge clinical treatment trials and studies examining the biology of PTSD for active-duty military and Veterans. The consortium's initiatives include efforts to learn more about the biology and physiology of PTSD development

and treatment response. This information will inform diagnosis, prediction of disease outcome, and new or improved treatment methods.

Another major effort is a multisite study to compare two known effective PTSD therapies—Cognitive Processing Therapy and Prolonged Exposure —head to head. The outcomes of this study (Comparative Effectiveness Research in Veterans With PTSD, or CERV-PTSD) will tell us if one treatment is superior overall and will also provide information about which treatment is best for different populations (e.g. women vs. men, combat vs. non-combat PTSD, and older vs. younger Veterans).

A third effort is comparing two different ways to help unemployed Veterans get back to work (Veterans Individual Placement and Support Towards Advancing Recovery, or VIP-STAR). This study will evaluate the effectiveness of Individual Placement & Support (IPS). Currently, transitional work programs (TWP) are the standard vocational rehabilitation approach. TWPs focus on training, instruction, or practice in a protected, but not real-world, work setting before the Veteran takes on a competitive job. IPS, in contrast, helps people obtain and maintain community-based competitive employment in their chosen occupation and provides supported training. The goal of the study is to determine whether IPS provides a better platform to the Veteran becoming a steady worker than transitional work programs.

Progress in Million Veteran Program

In 2006, VA formally launched the VA Genomic Medicine Program to examine the potential of emerging genomic technologies to optimize medical care for Veterans. A key goal of the program is to advance health care for Veterans through the application of personalized medicine, or the incorporation of personal genetic information into clinical decision-making. The development of a leading-edge genomics research program within VA, known as the Million Veteran Program (MVP), will enable genomic discoveries that can translate to improvements in the health care of Veterans as well as the Nation. MVP is partnering with Veterans receiving care in the VA Healthcare System to collect genetic samples and health information. The program's goal is to enroll one million Veteran volunteers to study the relationship between genes, lifestyle factors, military exposure, and disease. The program is on track to establish one of the world's largest genomic and health information resources. As of September 30, 2014, 312,861 Veterans had enrolled in MVP, and more than 417,290 Veterans had completed the first step in participation - a Baseline Survey. By the end of FY 2014, many different types of genomic data were generated on more than 202,000 samples. These genomic data will be used in two large ongoing projects to better understand the genetics of functional disability in Schizophrenia and Bipolar Disorder, as well as the genetics of PTSD in Veterans.

Traumatic Brain Injury

TBI is one of the signature wounds of the recent wars. TBI disrupts the normal function of the body's most complex organ and can result in several co-occurring conditions that

disrupt cognition, sensory and motor function, and MH. VA has launched a number of initiatives in recent years to improve the health of Veterans with TBI.

1) VA dramatically increased funding in TBI, which has led to important findings in the areas of diagnostics, prognostics, and health care delivery.
   a. VA investigators have been at the forefront of translating new technologies into practice. One study recently found that exposure to blast was sufficient to cause damage to the white matter tracts (the brain's information superhighway), even when the Veteran did not report having clinical symptoms of TBI. This research will lead to more sensitive diagnostics and understanding of repetitive mild TBI.
   b. Posttraumatic epilepsy is known to occur after moderate and severe brain injury. VA investigators recently found that mild TBI increases the rate of seizures that were caused, not by epilepsy, but in response to emotional or mental stress. This work will lead to better seizure management in Veterans with psychogenic seizures.
   c. VA's Quality Enhancement Research Initiative (QUERI) focuses on rapidly translating research findings into patient care. A Polytrauma and Blast-Related Injury QUERI Coordinating Center has been established to promote evidence based "best practices" in care and thereby support the rehabilitation, psychological adjustment, and community reintegration of Veterans affected by TBI and other injuries.

VA is a key member of Federal interagency initiatives that have focused on improving the MH of Veterans. This includes the Chronic Effects of Neurotrauma Consortium (CENC), which is jointly funded by VA and DoD. This consortium will provide critical information on the mechanisms that can cause progressive long-term dysfunction in Veterans with repetitive mild TBI, an understudied area of research. The first projects to be funded under this joint initiative will investigate the long-term brain health of Veterans with repetitive mild TBI and utilize an animal model to determine the causes of an abnormal type of protein (known as Tau) that builds up in the brain after injury.